APPRAISAL REPORT

OF THE

Ace Hotel & Swim Club Palm Springs - Palm Springs, CA

701 East Palm Canyon Drive
Palm Springs, Riverside County, California 92264

Prepared For

GFI Capital Resources Group, Inc.

Mr. William M. Barrett
Chief Financial Officer
GFI Capital Resources Group, Inc.
140 Broadway 41st Floor
New York, 10005

LWHA® Job No.: 20-NY-005B
Client Reference: Six Assets Portfolio

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February 21, 2020

Mr. William M. Barrett
Chief Financial Officer
GFI Capital Resources Group, Inc.
140 Broadway 41st Floor
New York, 10005

Re: Appraisal of the Ace Hotel & Swim Club Palm Springs - Palm Springs, CA
701 East Palm Canyon Drive
Palm Springs, Riverside County, California 92264

LWHA® Job No.: 20-NY-005B

Dear Mr. Barrett,

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above-captioned property in an appraisal report dated February 21, 2020. The effective date of value is December 31, 2019.

We have appraised the subject property, the conclusions of which are set forth in the attached Appraisal Report. This is an Appraisal Report that is intended to comply with the reporting requirements set forth und Standards Rule 2-2 of USPAP and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, the definition of value in this appraisal fits the definition of Fair Value as defined in IFRS 13 and IAS 16.

The depth of analysis discussed in this report is specific to the needs of the client and for the intended use.

The aggregate valuation in its entirety may be used for GFI Real Estate Limited's (i) financial reporting, (ii) quarterly and annual reports and (iii) prospectus, as applicable, and we confirm that we have given our consent to the inclusion of the aggregate valuation in its entirety with the GFI Real Estate Limited's public financial reports, quarterly and/or annual reports and a prospectus, as applicable, including its financial statements for the year ended on December 31, 2019, to be published in the Tel Aviv Stock Exchange, and no other intended use is permitted.

The Client for this engagement is GFI Real Estate Limited. This appraisal is performed **strictly** for financial reporting and financial reporting ancillary purposes in accordance with IFRS 13, *Fair Value Measurement* and IAS 16, *Property, Plant & Equipment, Revaluation Model.* This appraisal has been conducted to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation and Code of Professional Ethics of the Appraisal Institute. The aggregate valuation in ist entirety may be use for (i) financial reporting, (ii) quarterly and annual reports and (iii) the preparation of a prospectus, and we confirm that we have given our consent to the inclusion of the aggregate valuation in its entirety with the financial reports, quarterly and/or annual reports and a prospectus, as applicable, and no other intended use is permitted.

The subject property consists of a 4.64-acre site located along East Palm Canyon Drive in Palm Springs, California. The site is improved with a two-story, 179-room Ace Hotel full service hotel that opened in 1965 and contains approximately 97,735 square feet of gross building area. Amenities include three restaurants and lounges, outdoor pools, fitness center, spa facilities, sundry shop, and approximately 7,196 square feet of dedicated meeting space. Two additional guestrooms will be added in March of 2020 bringing the total room count to 181. The property also offers surface parking for 176 automobiles. The property is owned by 701 East Palm Canyon, LLC and managed by Ace Hotels.

As Is Market Value

As a result of our analysis, we are of the opinion that the market value of the leasehold interest of the subject hotel property, in its as is condition and subject to the assumptions and limiting conditions, certification and definitions, and extraordinary assumptions and hypothetical conditions, if any, as of December 31, 2019, is:

FIFTY SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
$57,500,000 or $321,000 per room

Allocation of Market Value As Is		
Real Property	$54,367,500	95%
Personal Property	$3,132,500	5%
Business Value	$0	0%
Total	**$57,500,000**	**100%**

The opinion of value includes the the improvements and the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational. The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to the future behavior of consumers and the general economy, which are highly uncertain. However, it is inevitable that some assumptions will not materialize, and unanticipated events may occur that will cause actual achieved operating results to differ from the financial analyses contained in this report and these differences may be material. Therefore, while our analysis was conscientiously prepared based on our experience and the data available, we make no warranty that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results may depend.

We did not ascertain the legal, engineering, and regulatory requirements applicable to the property, including zoning and other state and local government regulations, permits and licenses. No effort has been made to determine the possible impact on the property of present or future federal, state or local

legislation, including any environmental or ecological matters or interpretations thereof. With respect to the market demand analysis, our work did not include analysis of the potential impact of any significant rise or decline in local or general economic conditions.

We believe, based on the assumptions employed in our cash flow, as well as our selection of investment parameters for the subject, that the value conclusion represents a market price achievable within 6 to 12 months exposure prior to the date of value.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the last day of our fieldwork, January 3, 2020.

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions.

Extraordinary Assumptions

Extraordinary Assumptions are assumptions which if found to be false could alter the resulting opinion or conclusion.

- This appraisal assumes that the subject property will continue to operate as an Ace Hotel throughout the projection period.

If any of the aforementioned assumptions prove untrue, it may have an impact on our concluded opinion(s) of value. We reserve the right to amend our conclusions herein upon receipt of any additional information.

Hypothetical Conditions

Hypothetical Conditions are assumptions made contrary to fact, but which are assumed for the purpose of discussion, analysis, or formulation of opinions.

- This appraisal employs no hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

LW Hospitality Advisors®



Mark Lukens, MAI
Managing Director
California Certified General Appraiser
License No. AG 002368
Telephone: (206) 745-3600 x122
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Table of Contents

Photographs of the Subject Property 6
Location Maps 15
Executive Summary 16
Definitions 18
Assumptions & Limiting Conditions 22
Site Description 25
Zoning Data 27
Assessed Value and Real Estate Taxes 28
Improvements Description 30
Area Economic Analysis 33
Neighborhood Analysis 40
Competitive Lodging Market Analysis 59
Occupancy & Average Daily Rate Projections 65
Highest and Best Use Analysis 79
Valuation Process 81
Income Capitalization Approach 83
Sales Comparison Approach 113
Reconciliation 117
Certification of the Appraisal 121
Addendum 122

Qualifications ..... Addendum
Appraiser License ..... Addendum
STR Report ..... Addendum

Photographs of the Subject Property



Exterior (Front)



Exterior (Rear)



Registration Desk



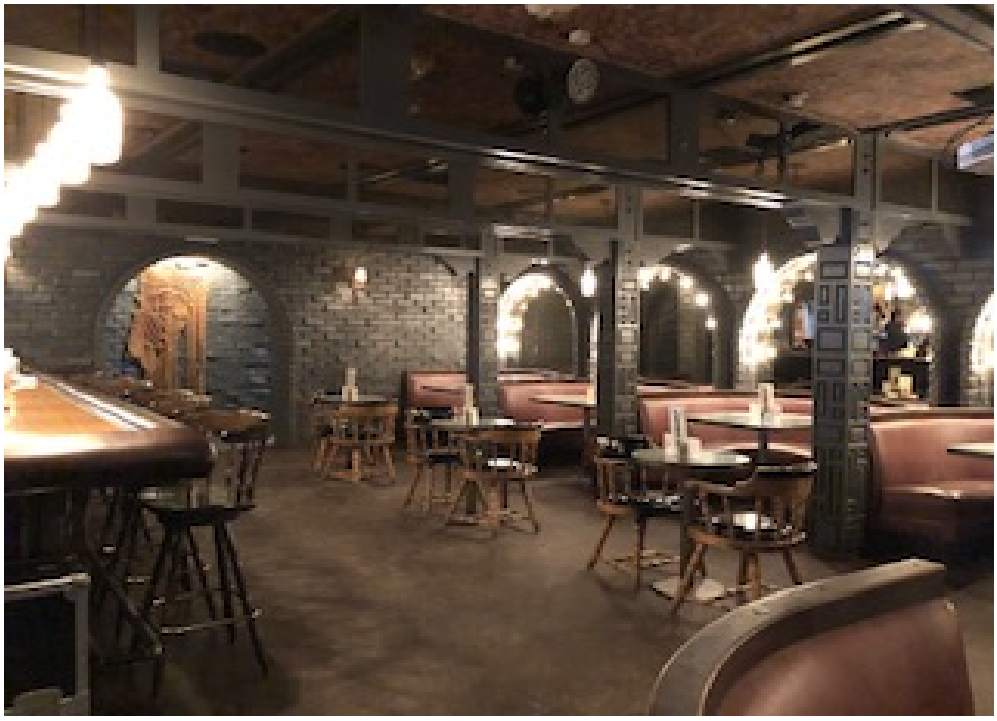
Lobby



Restaurant



Coffee Stand



Lounge



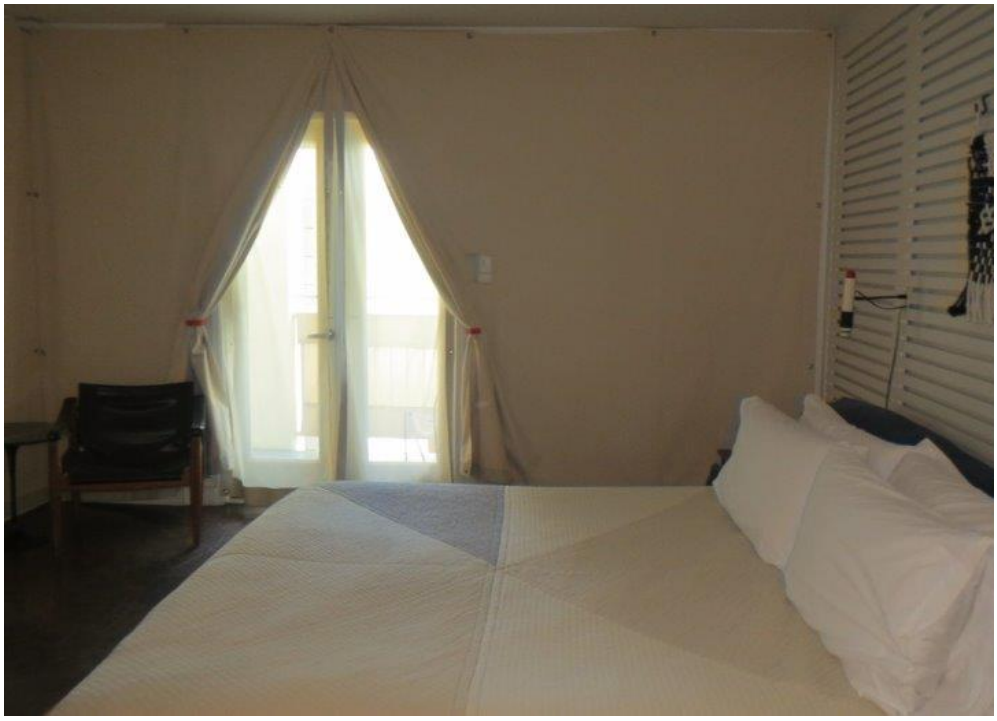
Fitness Center



Pool



Meeting Room



Typical King Guestroom



Typical King Guestroom



Guestroom Patio Area



Guestroom Patio Area



Typical Suite



Typical Suite

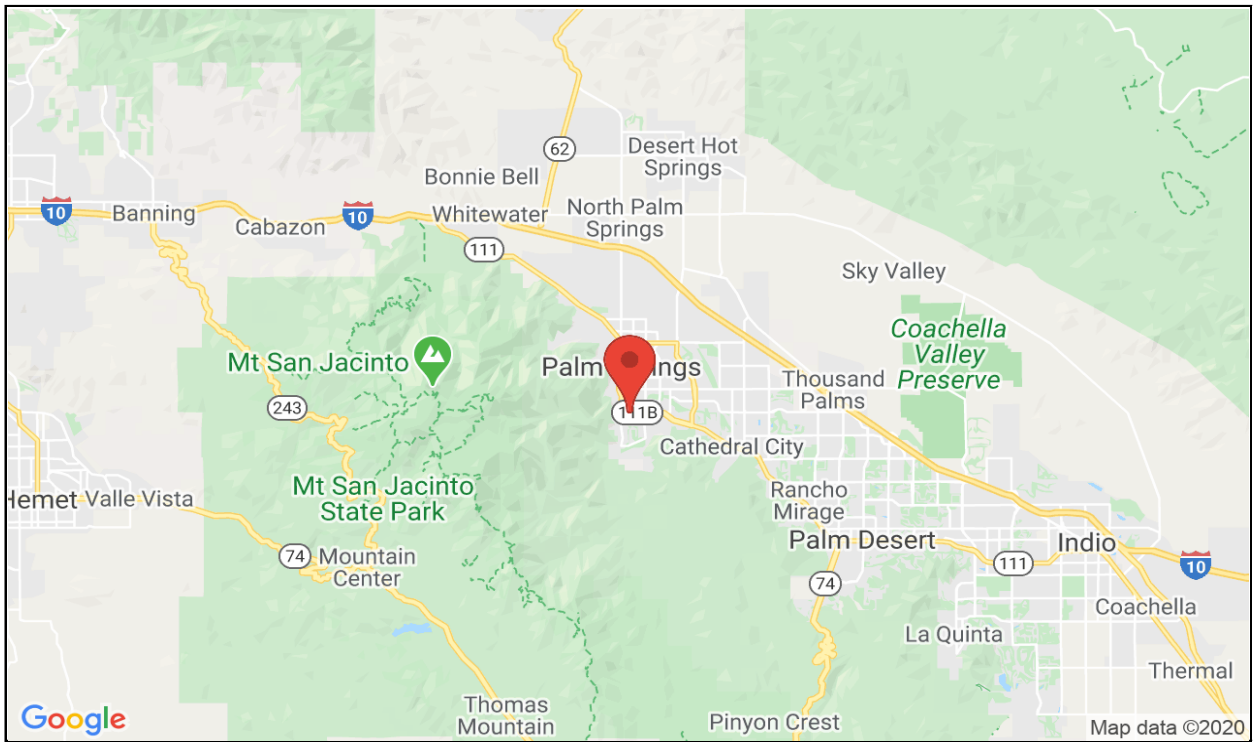


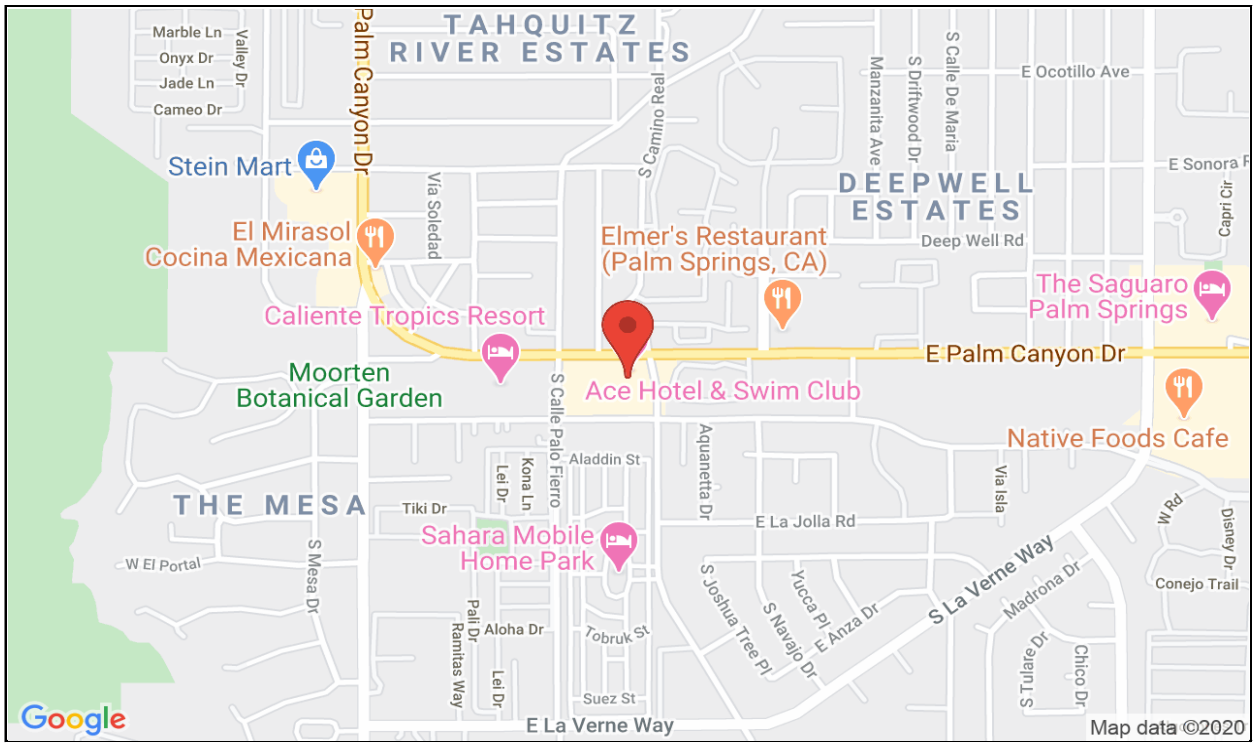
Typical Guest Bathroom



Typical Corridor

Location Maps





Executive Summary

General Information	
Property Name	Ace Hotel & Swim Club Palm Springs - Palm Springs, CA
Address	701 East Palm Canyon Drive
City	Palm Springs
County	Riverside County
State	California
Zip Code	92264
Property Type	Full Service Upper Upscale Hotel
Parcel Number	009-602-250
Interest Appraised	Leasehold Interest
Inspected By	Mark Lukens, MAI
Date of Inspection	January 3, 2020

Site & Improvements	
Site Area	4.64 Acres; 202,118 Sq. Ft.
Zoning District	R-3, I.L. Multiple Family Residential and Hotel Zone and also Indian Lands
Flood Plain	Zone X, FEMA Flood Panel No. 06065C1566G, August 28, 2008
Year Opened	1965
No. of Rooms	179 current, 181 after March 1, 2020
Gross Building Area (GBA)	97,735 Sq. Ft.
Floor to Area Ratio (FAR)	0.48
Corridor Type	Exterior
Property Condition	Very Good
Year of Last Major Renovation	2009
Year of Last Soft Goods Renovation	2017
Year of Last Bathroom Refurbishment	2017
Meeting Space	7,196 Sq. Ft.
Food & Beverage Outlets	Three Outlets
Parking Spaces	176 Surface Spaces

Franchise and Management Agreements	
Manager	Ace Hotel Group, LLC
Expiration	Initial term of 20 years - owner has two five-year renewal term options

Highest and Best Use	
As If Vacant	Commercial Development
As Improved	As Currently Improved

Operating Statistics	
2018 Year End Occupancy	68.91%
TTM December 2020 Occupancy	66.74%
Projected Year One Occupancy	68.00%
Projected Stabilized Occupancy	66.00%
2018 Year End ADR	$233.67
TTM December 2020 ADR	$237.17
Projected Year One ADR	$243.01
Projected Stabilized ADR	$260.32
2018 Year End NOI - Adjusted	$3,615,904
TTM December 2020 NOI - Adjusted	$4,130,628
Projected Year One NOI	$3,970,581
Projected Stabilized NOI	$3,921,491
Implied Year End 2018 Cap Rate	6.31%
Implied TTM December 2020 Cap Rate	7.21%
Implied Year One Cap Rate	6.93%
Implied Stabilized Cap Rate	6.84%
Implied Stabilized Deflated Cap Rate	6.45%

Value Conclusions

Value	Amount	Per Room	Date of Value
Income Capitalization Approach			
As Is	$57,300,000	$320,000	December 31, 2019
Sales Comparison Approach			
As Is	$54,400,000 - $60,200,000	$304,000 - $336,000	December 31, 2019
Final Value Estimates			
As Is	**$57,500,000**	**$321,000**	**December 31, 2019**

Definitions

Market Value

As defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows.

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby,

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leasehold Interest

The interest held by the lessee (the renter or tenant) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

Leased Fee Interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Marketing Time

1. The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.

2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool

of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time).

Exposure Time

1. The time a property remains on the market.

2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions").

Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values). See also marketing time.

As Is Value

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

Scope of Work

In preparing this appraisal, LWHA®:

- Inspected the interior and exterior of the subject, including site improvements, public areas, a representative sample of guestrooms, and back of house areas;
- Interviewed hotel management and representatives of its ownership;

- Reviewed the subject's historical operating and financial data, as well as industry statistics and the operating statistics of similar hotels;
- Inspected competitive properties, researched occupancies, average rates, and segmentation, and performed fair share projections for the subject. Data was obtained through interviews with on-site management and LWHA®'s internal database;
- Prepared detailed projections of occupancy, average daily rate, and operating expenses;
- Researched and analyzed recent comparable sales and offerings to determine capitalization and discount rates as well as indications of value per room;
- Considered the subject's replacement cost, accrued depreciation, and the relevancy to the subject valuation;
- Reconciled the applicable techniques to develop an opinion of value.

This is a narrative Appraisal Report as defined by the Uniform Standard of Professional Appraisal Practice under Standards Rule 2-2(A). This format provides a detailed and complete description of the appraisal process, subject data and valuation.

Property Ownership	701 East Palm Canyon, LLC
Acquisition History	There was a transfer of a membership interest in the property in September of 2016 when GFI purchased a 76% interest from Square Mile Capital for $32,750,000, or $186,080 per room. This is not considered an arms-length transaction since it was not marketed, incurred no transaction fees, and was initiated by Square Mile's need to distribute funds. As far as we are aware, there have been no other sales of the subject property within the past three years, and the subject is not currently being marketed for sale.
Dates of Valuation	As Is: December 31, 2019
Date of Inspection	January 3, 2020
Inspection Performed By:	Mark Lukens, MAI
Operational Assumptions	For the purposes of this report, this appraisal assumes the subject property will be operated by competent and experienced management familiar with the operation of resort hotels in the United States, and more specifically, the greater Palm Springs, California market. As previously noted, we assumed the hotel would be sold encumbered of the management agreement. For the purposes of this analysis, this appraisal assumes competent management for the duration of the projection period as an Ace Hotel.

Property Rights Appraised	Leasehold estate, including the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational.
Marketing and Exposure Period	We estimate the marketing time for the subject property to be approximately 6 to 12 months, based upon the PwC Real Estate Investor Survey as well as our interviews with knowledgeable owners and brokers. According to the most recent PwC Real Estate Investor Survey – Third Quarter 2019, 6.7 months is the average marketing time for luxury hotels, 6.0 months for full-service hotels, 6.2 months for limited-service hotels and 4.9 months for select-service hotels. The exposure period, or retrospective time to expose the property prior to sale, is estimated to be 6 to 12 months.

Assumptions & Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LW Hospitality Advisors® (LWHA®) is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. LWHA®, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. LWHA® professionals are not engineers and are not competent to judge matters of an engineering nature. LWHA® has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of LWHA® by ownership or management; LWHA® inspected less than 100 percent of the entire interior and exterior portions of the improvements; and LWHA® was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, LWHA® reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. LWHA® has no knowledge of the existence of such materials on or in the property. LWHA®, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to LWHA®. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, LWHA® has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, LWHA® reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data,

relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify LWHA® of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, LWHA® will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. LWHA® assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. LWHA® is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. LWHA® does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of LWHA®.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of LWHA® to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
15. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
17. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to LWHA® unless otherwise stated within the body of this report. If LWHA® has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. LWHA® assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

18. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor LWHA® assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
19. LWHA® assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
20. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
21. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
22. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LWHA® has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since LWHA® has no specific information relating to this issue, nor is LWHA® qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
23. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.
24. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
25. As part of the client's requested scope of work, an estimate of insurable value is provided herein. LWHA® has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshal Valuation Service handbook. The methodology employed is a derivation of the cost approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for insurable value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

    This analysis should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision-making process and no representations or warranties are made by LWHA® regarding the accuracy of this estimate and it is strongly recommended that other sources be utilized to develop any estimate of insurable value.

Site Description

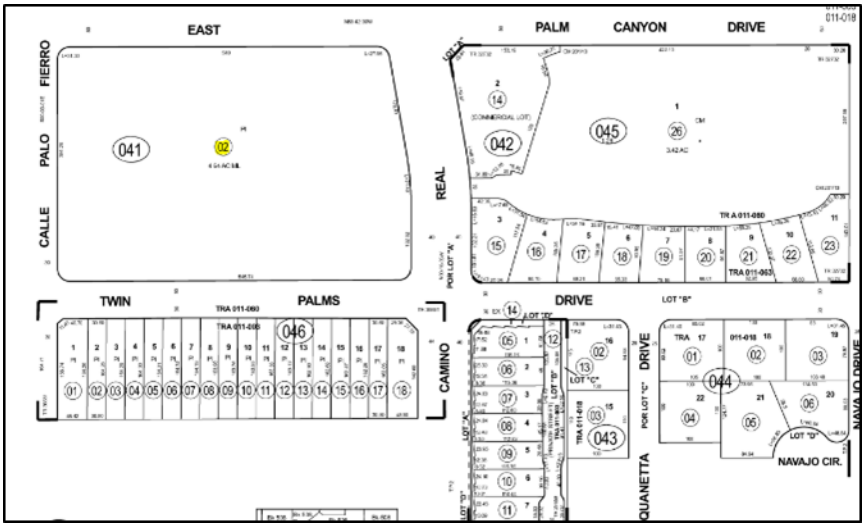
Location

The subject site is situated along the north side of East Palm Canyon Drive in Palm Springs, Riverside County, California. The subject property is identified by Riverside County as Parcel 009-602-250.

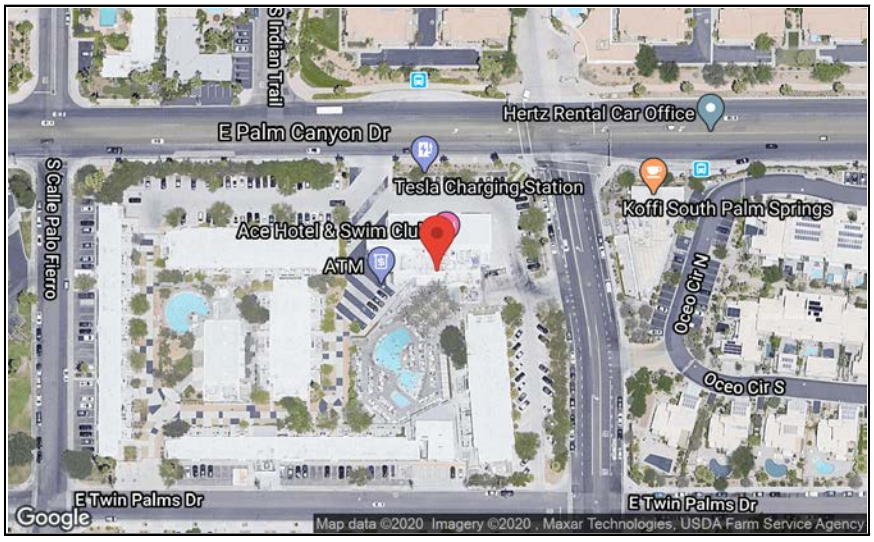
Physical Address

701 East Palm Canyon Drive, Palm Springs, California 92264

Tax Map



Aerial Map



Area

4.64± Acres; 202,118± Square Feet

Frontage

The site offers approximately 510 feet of street frontage along East Palm Canyon Drive.

Configuration	The site is roughly square.
Topography	The site is generally level.
Utilities	Typical municipal utilities, including electricity, telephone, gas, water and sewer, etc.
Site Improvements	The approximately 202,118 square foot parcel is fully improved with several two-story buildings constructed beginning in 1965. The hotel offers 179 guestrooms, three restaurants, two outdoor pools, fitness center, guest laundry facilities, sundry shop, and approximately 7,196 square feet of meeting space. The property also offers surface parking for 176 automobiles.
Adjacent Uses	North: -- Condominiums South: -- Condominiums East: -- Coffee Shop and Restaurant West: -- Motel 6
Access & Visibility	The subject property has very good access and very good visibility from the surrounding area.
Easements	No adverse easements have been noted.
Flood Zone	The subject is situated in Zone X, according to Federal Emergency Management Agency Map Number 06065C1566G, effective August 28, 2008. Zone X is an area of minimal flood hazard from the principal source of flood in the area and determined to be outside the 0.2 percent annual chance floodplain.
Hazardous Materials	Determining the presence of asbestos or hazardous materials at the subject is beyond the scope of this appraisal. The estimate of value derived herein is predicated on the subject being free of hazardous/toxic materials which may have an adverse impact on value. See Qualifying and Limiting Conditions in Addendum.
Comments	The subject's size and shape are typical for most developments in the area. There does not appear to be any excess land.

Zoning Data

The subject property is located within the R-3, I.L. Multiple Family Residential and Hotel Zone and also Indian Lands, as determined by the City of Palm Springs.

Zoning Summary	
Zoning Authority	City of Palm Springs
Zoning District	R-3, I.L. Multiple Family Residential and Hotel Zone and also Indian Lands
Primary Permitted Uses	Hotel and multi-family residential
Hotels Permitted	Yes
Zoning Change	No
Legally Conforming	Yes
Flood Plain	Zone X, FEMA Flood Panel No. 06065C1566G, August 28, 2008
Category	**Zoning Requirement**
Height Limit	24 feet (two stories)
Property FAR	0.48
Parking Requirement	There shall be provided one parking space for each of the first 50 guest rooms in any establishment. Establishments with more than fifty 50 guest rooms shall provide 0.75 parking spaces for each guest room in excess of 50.
Comments	The subject is a permitted use and conforms to zoning and parking regulations.
Source: Zoning & Planning Department	

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

Assessed Value and Real Estate Taxes

The property's current real property assessment information is presented below. The subject hotel's site is currently identified by Riverside County as Parcel 009-602-250.

In California, all real property is assessed at 100 percent of full cash value (which is interpreted to mean market value of the fee simple estate) as determined by the County Assessor. Business property, all property owned or leased by a business, including machinery, equipment, furniture and supplies, are subject to personal property tax. Businesses are required by law to file an annual Business Property Statement if their aggregate cost of business personal property exceeds $100,000. The assessment cycle runs on a fiscal year from July 1st to June 30th of any given tax year.

A reassessment occurs only when a property is sold or transferred, or when new construction or significant structural renovation occurs. Proposition 13 replaced the practice of annually reassessing property at market value with a system based on cost at acquisition. Under this proposition, properties are assessed for tax purposes when the property changes ownership. As long as the property is not sold or transferred, future increases in assessed value are limited to an annual inflation factor of no more than 2.0 percent. Once the property is sold or transferred, the property is reassessed according to the sale price, and the 2.0 percent yearly cap becomes applicable to future years. Proposition 13 also capped, with limited exceptions, ad valorem property taxes at 1.0 percent of full cash value at the time of acquisition. Under Proposition 13, the maximum tax rate is set to equal one percent of market value plus an increment for pre-existing bonded indebtedness.

Real property taxes are payable in two equal installments, which become delinquent after December 10th and April 10th, respectively.

The table below summarizes the current assessment value and property taxes for the subject site. Real property taxes for the subject hotel are expected to change as this appraisal assumes the completion of construction and a sale of the subject property as of the date of completion and at the end of the 10-year holding period. If the subject sold for the value estimate in this report, a reassessment at that value would occur, with tax increases limited to two percent annually thereafter until the property is sold again.

Accordingly, we have assumed a reassessment would be required upon sale of the subject property at the end of the 10-year holding period. In order to account for this reassessment, we have adjusted the projected tax expense in the first projection year to reflect anticipated market value at time of sale. For purposes of this analysis, LWHA has utilized the market value of the subject property as determined in this appraisal.

Ad Valorem Tax Information			
Taxing Authority	Riverside County		
		Actual	Estimate
Assessor's Taxable Value	Parcel ID	2019/20	2020/21
Real Property	009-602-250		
Land		$3,797,460	$3,873,409
Improvement		$31,472,100	
Real Property Value		$35,269,560	
Land Assessed at 100%		$3,797,460	
Improvements Assessed at 100%		$31,472,100	
Total Assessed Value		$35,269,560	$61,373,409
Personal Property (FF&E)			
Personal Property Assessed at 100%		$2,819,703	included
Tax Rates	(per $100 A.V.)		
Real Property Tax Rate		1.245	1.245
Personal Property Tax Rate		1.245	1.245
Real Property Tax Liability		$439,194	$764,252
Personal Property Tax Liability		$35,112	
Special Assessments		$22,508	$23,183
Total Tax Liability		$496,814	$787,435

Based upon our review and estimate of the subject's assessment and applicable tax rate, the subject's total estimated total tax expense for the first projection year is projected to be $787,435 and for the second projection year is estimated to be $803,184. Going forward, we increased the subject's tax liability by 2.0 percent per annum throughout the rest of the projection period.

It is important to note that a reassessment would be required at the sale of the subject property at the end of the 10-year holding period. In order to account for this reassessment, we have loaded the terminal capitalization rate used in this analysis with the 11th projection year's forecasted tax rate. As the loading of the residual capitalization rate accounts for the anticipated taxes in the reversionary year, the property tax expense in year 11 of the cash flows has been set to zero so as to not double count the taxes in that year.

Improvements Description

The table below summarizes the specifications of the subject improvements.

General Information	
Property Type	Full Service Hotel
Year Opened	1965
Year of Recent Renovation	2009
Year of Last Soft Good Renovation	2017
Year of Last Bathroom Refurbishment	2017
Property Condition	Very Good
Construction Type	Concrete Block
Exterior Walls	Concrete Block
Number of Buildings	Five
Number of Stories	2 Stories
Basement Levels	No
Gross Building Area	97,735± Square Feet
HVAC - Guestrooms	Central System
HVAC - Public Spaces	Central System
Roof Type	Membrane
Roof Age	3 Years
Elevators	0

Guestrooms	
Room Type	Current Number of Rooms
Kings	60
Queen/Queens	29
King Suites	90
Total Guestrooms Available	**179**

Food & Beverage Outlets		
Outlet	Number of Seats	Meals Served
King's Highway	108	B, L, D
Patio	68	B, L, D
Amigo Room	74	L, D
Food & Beverage Seats	**250**	

Meeting Rooms	
Room	Square Feet
Club House 1st Floor	1,273
Club House 2nd Floor	1,167
Club House Deck	1,256
Commune	3,000
Stargazing Deck	500
Total Meeting Space	**7,196**

Additional Amenities	
Room Service	Outdoor Pool
Fitness Center	Guest Self-Laundry
Sundry Shop	

Hotel General

The property consists of five two-story hotel buildings reportedly originally constructed in 1965, two two-story event buildings reportedly constructed in 2008 and 2013, and a one-story lobby/restaurant/bar building reportedly constructed in 1965. The hotel contains 179 guestrooms and has a "retro" vibe befitting the Ace brand. The facilities and amenities are resort-oriented, featuring three restaurants, two outdoor pools, a fitness center, guest laundry facilities, a sundry shop, spa, and approximately 7,196 square feet of meeting space. The subject property also offers 176 surface parking spaces and high-speed internet access in the guestrooms and public spaces.

Guestrooms

The subject hotel features 179 guestrooms comprised of 60 kings, and 29 queen/queens, and 90 king suites.

All standard guestrooms and suites feature a work desk and chair, two nightstands, flat screen televisions, mini refrigerator and extensive mini-bar offerings, and iron/ironing board. Beds are housed on short platforms on the floor. The suites have an outdoor living area with seating with fireplaces (in some units) and turntables in the rooms. The hotel offers complimentary wireless internet access in all guestrooms, included in the resort fee.

As noted, two additional guestrooms will be added to the property beginning March 1, 2020. These rooms will be converted from what is now office space. The estimated $100,000 cost is assumed to be funded from the reserve account.

Food and Beverage

The hotel features three food and beverage outlets: King's Highway, the Patio, and the Amigo Room. The hotel's King's Highway restaurant and Amigo Room lounge are located on the east side of the lobby. The Amigo Room offers an outdoor bar facing the patio dining area. The hotel also offers the Short Bus, which serves a full menu of food and drinks. This facility is only operated during peak season and special events. Additionally, the hotel offers room service.

Meeting Space

The hotel offers approximately 7,196 square feet of dedicated meeting space, spread amongst five rooms, the largest of which is 3,000 square feet. This total includes two outdoor deck areas, totaling 1,756 square feet.

Additional Facilities

The hotel offers a full-service spa, which includes five treatment rooms and a sauna and steam room. The hotel also features a fitness center adjacent to the lobby.

Capital Expenditures

The subject property was originally built in 1965 and is currently considered to be well maintained and in very good condition. According to property management, the last major renovation was just recently concluded. The following table details the subject's historical capital expenditures.

Capital Expenditures - Historical			
Year	**Primary Uses**	**Amount**	**Per Key**
2015	Guestroom televisions, Chiller	$455,000	$2,542
2016	Food and beverage, grounds, rooms	$685,000	$3,827
2017	Food and beverage, grounds, rooms, spa, IT	$1,445,000	$8,073
2018	Room refresh, re-do guest bathrooms	$1,676,000	$9,363
2019	Guestroom FF&E, new Kiosk	$1,512,000	$8,447
	Total Amount: 2015 - 2019	***$5,773,000***	***$32,251***
Source: Property Ownership			

As noted, current ownership has invested over $5.77 million since 2015. The property recently underwent a rooms renovation project (including bathrooms) which is now completed. Budgeted capital expenditures for the next five years are presented in the following table.

Capital Expenditures - Budget			
Proj. Year	**Primary Uses**	**Amount**	**Per Key**
1	Guestroom FF&E	$1,325,000	$7,402
2	New Laundry Eqpt., Guestroom Doors and Frames	$1,420,000	$7,933
3	Guestroom Softgoods	$1,030,000	$5,754
4	Guestroom Softgoods	$1,290,000	$7,207
5	IT Refresh	$805,000	$4,497
	Total Amount: Projection Years 1 - 5	***$5,870,000***	***$32,793***
Source: Property Ownership			

Considering the current condition of the subject property and typical industry standards, we utilized 4.0 percent of total revenue for reserves for replacement throughout the projection period. We assume this will fund future capital needs.

Conclusion

The subject was originally constructed in 1965 with an estimated economic life of 60 years. The actual age of the building is 55 years; however, the property has gone through several major renovations over its life. Given the significant renovation in 2009, we estimated the effective age of the asset at approximately 20 years. The remaining economic life is estimated to be approximately 40 years.

Overall, the condition of the improvements are considered to be very good with the guestrooms and public spaces offering a quality that is comparable or superior to the majority of the primary competitive set. There are no known adverse factors pertaining to the property's marketability, and it is positioned within its intended demographic.

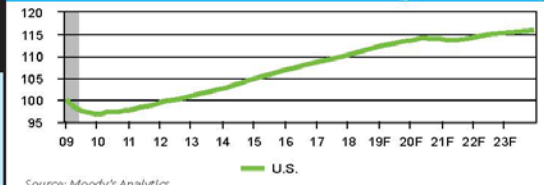
Area Economic Analysis

Moody's Analytics

UNITED STATES

EMPLOYMENT GROWTH RATE		GROSS DOMESTIC PRODUCT	
2018-2020	2018-2023	2018-2020	2018-2023
1.2%	0.8%	2.0%	2.2%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2009=100)



Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- Very productive workforce.
- Labor market attracts skilled and unskilled immigrants.
- High innovation and entrepreneurship.
- Mobile labor force, flexible labor system.

WEAKNESSES

- Large budget, current account deficits.
- Skewed income and wealth distribution.
- Polarized and fractured political system.
- Demographic challenges.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Oct 18	Apr 19	Oct 19
Total	1.8	1.7	1.4
Construction	5.0	3.4	2.2
Manufacturing	2.1	1.7	0.8
Trade	0.3	0.3	0.2
Trans/Utilities	3.9	2.9	1.6
Information	0.4	-0.5	-0.1
Financial Activities	1.4	1.2	1.3
Prof & Business Svcs.	2.6	2.5	2.0
Edu & Health Svcs.	2.1	2.4	2.6
Leisure & Hospitality	1.9	2.6	2.3
Other Services	1.3	1.6	1.5
Government	0.6	0.5	0.6

FORECAST RISKS

SHORT TERM ↑ | LONG TERM ↑

UPSIDE

- Rising wealth and wages act as tailwinds for consumer spending.
- Trade tensions end sooner than anticipated.

DOWNSIDE

- Tightening in financial market conditions harms business sentiment enough that firms curtail hiring and investment.
- Fiscal stimulus provides less of a boost to growth.

MOODY'S RATING **Aaa**

ANALYSIS

Recent Performance. The U.S. economy is growing near its 2% growth potential. Abstracting from the monthly vagaries of the data and forthcoming revisions, job growth appears close to 125,000 per month. This is more or less consistent with stable unemployment, which is low at 3.6%.

The economy has throttled way back from this time last year when growth was closer to 3%. Last year's stronger growth was due in significant part to large deficit-financed personal and corporate tax cuts. This temporary fiscal stimulus has faded, although the larger deficits remain. The Congressional Budget Office recently revised up its 10-year cost estimate of the tax cuts to $1.9 trillion from $1.5 trillion due to lower-than-anticipated corporate tax revenue.

Also weighing on growth is the trade war. The U.S. has been battling with China and most of its other major trade partners at one time or another over the past almost two years. Higher global tariffs did not reduce the U.S. trade deficit as proponents of the war expected, but did the opposite, as the tariffs have done considerable damage to global trade and the economy and lifted the value of the U.S. dollar. Uncertainty created by the capricious tariffs has also undermined business sentiment and made businesses more cautious. Investment spending has flatlined and hiring has softened. There are still many open jobs, but significantly fewer than just a few months ago.

Economy's firewall. Stalwart consumers have been the economy's firewall, forestalling an even more pronounced slowing in growth. Real consumer spending has maintained a sturdy 2.5% pace, with consumers particularly avid buyers of computer and other consumer electronics, telecommunication services, healthcare, and pharmaceuticals.

As long as the American consumer holds firm, so too should the expansion. Weak trade and flaccid business investment, which seem likely to continue through next year unless there is an unexpected meaningful de-escalation of the trade war, will not be enough to ignite a recession as long as consumers keep spending. And there are some reasons to be optimistic in this regard.

Most encouraging is the strength of household balance sheets. Households have deleveraged, with the household debt-to-income ratio as low as it has been in a generation, and household debt service—the share of income households need to make their debt payments in a timely way—as low as it has been in two generations. Households have also been diligent at locking in low interest rates via the mortgage refinancing waves of recent years. Delinquency rates on household debt are rarely ever as low as they are now (see Chart 1).

Record stock prices and solid house price gains in much of the country have lifted household wealth. Households own almost $30 trillion in stocks, double their value at the peak prior to the financial crisis, and another $30 trillion in housing, up 20% from the precrisis peak. Using a simple rule of thumb for the wealth effect—the dollar change in consumer spending due to a dollar change in household wealth—of 2.5 cents, increasing household wealth has contributed approximately half a percentage point to real GDP growth over the past year.

Households have also been good savers. The personal saving rate is near 8%, about as high as it has been on a sustained basis since the early 1990s. Baby boomers have upped their saving, as the bulk of this generation is nearing retirement and is working hard to financially prepare for it (see Chart 2).

Consumers downshift. However, on closer inspection the consumer firewall seems somewhat vulnerable. Consumers appear a bit tired.

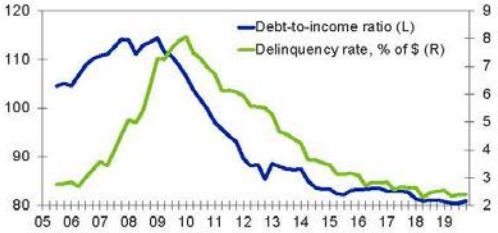
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2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
16,495	16,912	17,404	17,689	18,108	18,638	Gross domestic product (C12$ bil)	19,066	19,394	19,776	20,371	20,812	21,256
1.8	*2.5*	*2.9*	*1.6*	*2.4*	*2.9*	*% change*	*2.3*	*1.7*	*2.0*	*3.0*	*2.2*	*2.1*
136.4	138.9	141.8	144.3	146.6	149.1	Total employment (mil)	151.4	152.8	152.6	154.0	155.0	155.9
1.6	*1.9*	*2.1*	*1.8*	*1.6*	*1.7*	*% change*	*1.5*	*0.9*	*-0.1*	*0.9*	*0.7*	*0.6*
7.4	6.2	5.3	4.9	4.4	3.9	Unemployment rate (%)	3.7	3.6	4.3	4.4	4.5	4.5
1.2	5.7	4.8	2.6	4.7	5.6	Personal income growth (%)	4.8	4.1	3.7	4.6	4.2	4.0
316.1	318.4	320.7	323.1	325.1	327.2	Population (mil)	329.2	331.2	333.1	335.2	337.4	339.6
0.6	0.6	0.7	0.8	0.9	0.9	Single-family starts (mil)	0.9	0.9	1.2	1.5	1.5	1.5
0.3	0.4	0.4	0.4	0.4	0.4	Multifamily starts (mil)	0.4	0.4	0.4	0.5	0.5	0.5
1,844	1,267	1,675	2,035	1,758	1,646	Mortgage originations ($ bil)	1,880	1,830	1,703	1,646	1,692	1,780
1,039	910	820	771	766	751	Personal bankruptcies (ths)	757	804	930	1,094	1,276	1,399
0.1	0.0	0.1	0.3	0.9	1.9	91-day Treasury bill (%)	2.1	1.5	1.6	2.3	2.8	2.8
2.3	2.5	2.1	1.8	2.3	2.9	10-year Treasury bond (%)	2.2	2.4	3.1	3.9	4.0	4.1

MOODY'S ANALYTICS / Précis® U.S. Metro / November 2019

Household Balance Sheets Are Strong

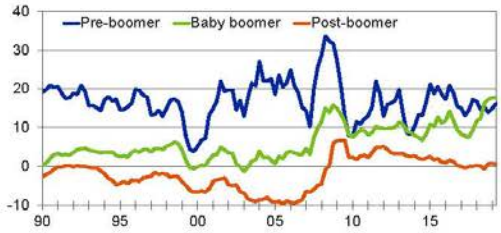
Total household debt



Sources: Equifax, Moody's Analytics

Baby Boomers Prepare for Retirement

Personal saving rate, %, 4-qtr MA



Source: Moody's Analytics

New-vehicle sales are well off their peak; over the past year they have fallen below 17 million units at a seasonally adjusted annualized rate, an important benchmark for the market. Gains in nonvehicle-related retail sales have also turned suddenly softer. This change takes on added importance since it is just prior to the key holiday shopping season.

Consumers have downshifted their spending consistent with somewhat slower after-tax income growth. Job growth has moderated, as have wage gains, under the weight of the trade war. Manufacturers and some agriculture-related and transportation companies, which are on the front lines of the war, are shedding good-paying jobs. Other companies more removed from the war are still adding to their payrolls but are resisting bigger pay increases to protect their profitability in case the war escalates further.

Consumers are also adjusting to bigger tax bills. Last year's tax cuts gave them an approximately $100 billion windfall, reducing their effective tax rate by about half a percentage point. But tax payments are on the rise, especially for higher-income taxpayers who lost some big tax deductions. They are also paying more taxes on their bigger dividend checks and capital gains, as many companies used their tax windfall to increase dividends and repurchase shares.

Wealthy look wobbly. Spending by high-income households appears especially wobbly. Outlays by those in the top 20% of the income distribution have gone mostly sideways over the past year, while those in the top 10% are declining (see Chart 3). This has not happened since the financial crisis, and adding to its import is that those in the top 10% account for nearly half of all spending. The skewing of income and wealth distribution is evident in consumer spending; a quarter-century ago the top 10% accounted for closer to one-third of all spending.

The wealthy's recently shaky spending likely goes back in significant part to the stock market. Stocks are trading close to record highs, but they are up only modestly since they rallied strongly almost two years ago when investors discounted the corporate tax cut. Since then, prices have swung back and forth, and as recently as the end of last year were down about 20% from their peaks. The wealth effect on the wealthy is especially large when stock prices are falling, as many of the wealthy are boomers focused on the size of their retirement nest eggs.

The equity market appears critical to consumer spending and thus the expansion. If stock prices continue to post new highs, spending by wealthy households will soon revive and the consumer firewall should hold. That is a big if. It is disquieting that the expansion hinges so critically on the ups and downs in the stock market.

Hidden angst. Consumers may have more angst than they are letting on, at least when responding to consumer confidence surveys. Consumers are not quite as upbeat as they were this time last year, according to the Conference Board and University of Michigan sentiment surveys, but by historical standards they are feeling pretty good.

Happy consumers are necessary to ensure continued spending, particularly on more expensive items. When consumers lose faith and fear they might lose their job or not get a pay increase and bonus, they pull back on spending and recessions ensue. One of the most accurate leading indicators of recession, with several months lead, is a sharp and sustained decline in consumer confidence.

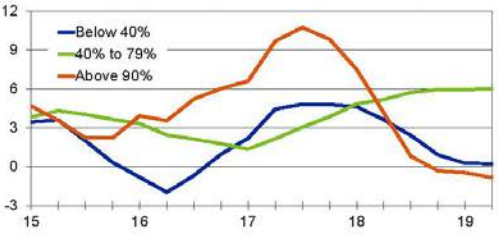
While the consumer confidence surveys suggest all is well, consumers have not been oblivious to worries about the economy and heightened talk of recession. The number of Google searches for "recession" and "next recession" has surged, and has recently been as high as it was at the height of the financial crisis (see Chart 4). Indeed, the instantaneous echo chamber of internet media may supercharge the dissemination of any bad economic news and amplify its dark influence on the collective psyche.

A critical juncture. The economy is at a critical juncture. If growth weakens further and falls consistently below the economy's potential, unemployment will begin to increase. Once that happens, recession odds will meaningfully increase as consumers turn more outwardly anxious. Businesses will respond with less hiring, and perhaps some layoffs, and unemployment will rise further. The consumer firewall will be breached, and a self-reinforcing negative dynamic will take hold—recession.

Mark Zandi
November 2019

The Wealthy Are Spending Less

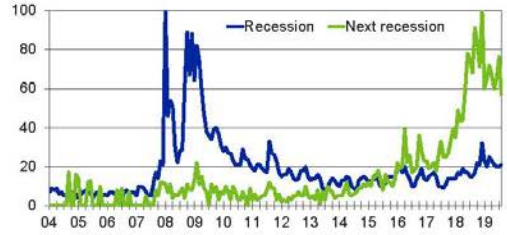
Personal outlays by income group, % change yr ago, 4-qtr MA



Source: Moody's Analytics

Consumers on Edge

U.S. Google search, 100=peak popularity



Sources: Google Trends, Moody's Analytics

Moody's Analytics

WEST

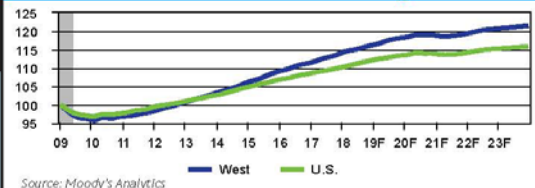
EMPLOYMENT GROWTH RATE

2018-2020	2018-2023
1.6%	1.0%

GROSS DOMESTIC PRODUCT

2018-2020	2018-2023
2.5%	2.6%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2009=100)



Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- Haven for tech services and manufacturing.
- Well-educated workforce and robust in-migration support high-tech firms.
- Favorable demographic trends, especially in Mountain and Pacific Northwest states.

WEAKNESSES

- High labor, business and housing costs in Pacific Coast states.
- Mountain states exposed to volatile commodity prices.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Oct 18	Apr 19	Oct 19
Total	2.1	1.8	2.0
Mining	5.7	3.8	1.4
Construction	5.9	3.8	4.4
Manufacturing	2.1	2.0	2.1
Trade	0.6	0.2	0.0
Trans/Utilities	4.4	3.1	2.4
Information	2.8	2.1	1.8
Financial Activities	1.4	0.4	1.6
Prof & Business Svcs.	3.2	2.7	3.0
Edu & Health Svcs.	3.1	2.7	3.1
Leisure & Hospitality	1.7	2.1	2.3
Other Services	1.8	1.5	0.8
Government	0.2	0.7	1.2

FORECAST RISKS

SHORT TERM ↑ | LONG TERM ↑

UPSIDE

- Growth in cloud-computing stirs even greater expansion of tech services.
- Strong small-business credit profiles perpetuate faster hiring in finance.

DOWNSIDE

- Global trade war is a bigger drag on manufacturing and services.
- Falling affordability dents in-migration.
- Rising labor costs prompt tech firms to expand elsewhere.

COST OF DOING BUSINESS 108%

ANALYSIS

Recent Performance. The West still outperforms other regions in employment growth, although the pace has slowed in step with the rest of the country. The jobless rate continues to fall, which is particularly noteworthy in states such as Washington, Idaho and Utah, where labor force growth is particularly strong. The coming benchmark employment revisions may change the picture slightly, particularly in Nevada and Washington, where the Quarterly Census of Employment and Wages suggests that the monthly survey is understating growth. Hawaii, on the other hand, is likely in for significant downward revisions. Based on current data, healthcare, construction and tech led job gains in 2019. Finance has reaccelerated in the Mountain states.

Roundhouse kick. The late-2018 slowdown in home sales took some of the pressure off housing markets in the West, but chronic housing shortages still present a major risk. Homebuilders are not keeping up with the pace of job and population growth in the region's largest metropolitan areas. The result has been rising house prices that have strained affordability and discouraged potential sellers from putting their homes up for sale. Sales have nearly recovered from last year's body check caused by rising mortgage rates but have yet to fully regain forward momentum and are still down slightly from their 2017 peak. High mortgage rates are no longer a problem, but the strong price growth from the tight market has now reasserted the downward trend in affordability. Moreover, the housing market remains subject to uncertainty due to the trade war and financial risk, as measured by the upward trend in Treasury bond prices.

A California fade. The Golden State will no longer lead growth in the West. The state's most significant obstacle is its own success, as years of rapid growth have fed rising costs and space constraints. California has lost more residents to other states than it has gained for nearly three decades. Newcomers from abroad have been supporting population growth, but growth is slowing as the number of international migrants also dwindles. While high costs and slowing population growth have been building for much longer than the current business cycle, recent years have seen the rise of new tech hubs elsewhere along the coast and in the Mountain West. California is unlikely to lose its crown as startup/tech capital of the world, but as firms and residents mature, they will take their prosperity inland. However, rather than an omen of doom, such trends will prove a check against overheating in the nation's largest state economy.

The rest of the West. Inland states such as Arizona, Nevada and Idaho are stars on the rise. Population growth is soaring as young people in particular flock in from other parts of the country for jobs in tech, finance and manufacturing. These emerging business hubs are picking up steam. Not only is the Mountain West less expensive for businesses and residents alike, but the region also boasts natural advantages. Tourism and retiree havens abound, as visitors and residents take advantage of national parks, temperate weather, and other high quality of life metrics.

Income growth in the West will outpace the rest of the country even as employment growth moderates thanks to tech's dominance. Yet a prolonged trade conflict casts a shadow over the region's global tech dominance, setting job and income growth back in the long run. Favorable demographics, particularly in the Mountain states, and highly educated workforces will prove lasting advantages.

Laura Ratz
November 2019

2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
3,977.0	4,116.0	4,301.3	4,425.1	4,604.6	4,795.4	Gross regional product (C12$ bil)	4,935.7	5,035.4	5,148.6	5,316.5	5,445.0	5,572.8
30,322	31,123	32,023	32,847	33,568	34,311	Total employment (ths)	34,972	35,406	35,406	35,804	36,088	36,335
2.5	*2.6*	*2.9*	*2.6*	*2.2*	*2.2*	*% change*	*1.9*	*1.2*	*0.0*	*1.1*	*0.8*	*0.7*
8.0	6.7	5.7	5.1	4.5	4.1	Unemployment rate (%)	4.1	3.9	4.6	4.9	5.1	5.1
2.0	7.1	6.7	4.0	5.2	6.3	Personal income growth (%)	5.7	4.6	3.9	5.6	4.8	4.6
74,193	74,961	75,788	76,614	77,320	77,994	Population (ths)	78,678	79,354	80,003	80,679	81,388	82,120
246.9	309.4	386.5	409.4	320.6	308.0	Net migration (ths)	303.4	276.6	250.2	278.9	316.7	342.7
136,306	137,132	160,707	178,090	196,693	208,662	Single-family permits (#)	203,146	222,294	283,122	364,276	374,545	363,243
97,345	107,230	116,528	131,497	139,658	134,112	Multifamily permits (#)	135,445	126,134	139,413	147,886	148,220	144,908
383	422	452	488	528	573	House price (1980Q1=100)	599	621	642	662	686	720
659	456	631	798	644	580	Mortgage originations ($ mil)	660	642	597	576	597	629
3,263.3	3,490.7	3,792.3	3,892.6	3,863.7	3,798.4	New vehicle registrations (ths)	3,689.4	3,586.7	3,574.6	3,815.5	3,785.8	3,682.3
280,968	222,940	183,155	160,776	151,812	145,415	Personal bankruptcies (#)	145,038	151,756	176,546	216,613	265,245	307,500

MOODY'S ANALYTICS / Précis® U.S. Metro / November 2019

Moody's ANALYTICS

RIVERSIDE-SAN BERNARDINO-ONTARIO CA

Data Buffet® MSA code: IUSA_MRIV

ECONOMIC DRIVERS

LOGISTICS

DEFENSE

EMPLOYMENT GROWTH RANK

2018-2020	2018-2023
46	34
1st quintile	1st quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING	BUSINESS
112%	102%

U.S.=100%

VITALITY

RELATIVE

112%

Rank: 77

Best=1, Worst=403

QUALITY

OF LIFE

82

Best=1, Worst=378

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

» Comparative advantage in transportation, distribution and warehousing.
» Lower business and housing costs than in nearby California coastal areas.
» Positive and increasing net migration.

WEAKNESSES

» Lack of vibrant central core, downtown.
» Low per capita income; poorly educated workforce.
» Dearth of knowledge-based industries.

FORECAST RISKS

SHORT TERM ↑ | LONG TERM ↑

RISK EXPOSURE 2019-2024: 262 — 4th quintile (Highest=1, Lowest=403)

UPSIDE

» Exorbitant costs in Southern California drive more firms and workers into RIV.
» Stronger domestic migration bolsters housing and consumer services.
» Construction adds even more jobs.

DOWNSIDE

» Cost advantage erodes more quickly.
» Trade tensions with Pacific partners intensify, and less freight traffic hurts trade, transportation and warehousing.

MOODY'S RATING

Aa3 — COUNTY AS OF FEB 28, 2013

ANALYSIS

Recent Performance. Riverside-San Bernardino-Ontario is riding the tide of a fast-growing logistics industry and a late-cycle population shift from California's more costly coastal areas to its interior. Rapid growth in transportation and warehousing has nudged the job mix toward mid-paying positions, pushing up the average hourly wage. However, most new jobs owe to growth in consumer spending by a rapidly growing population. Residential construction has yet to catch up to the influx of new residents. As a result, single-family house prices are still rising while much of the rest of the state cools. Slower labor force growth is a rare weak spot and hints at trouble drawing workers from outside the metro area.

Special delivery. The race for faster delivery times and lower transportation and warehousing costs will further RIV's transformation into a logistics and shipping hub for Southern California and Nevada. Employment in transportation and wholesale trade has risen by nearly two-thirds since it surpassed its prerecession peak in 2013 and has increased its share of total employment and output substantially. Proximity to large population centers in Southern California and Northern Nevada, abundant warehouse space, and low building costs will power further gains. Amazon, FedEx and Nordstrom top the list of shipping and retail giants with distribution centers in the metro area; the latter will increase its footprint as it seeks to revamp its online retail business.

RIV's ascent as a logistics hub is not costless. Reliance on wholesale trade, distribution and transportation will make the metro area more vulnerable to ups and downs in consumer spending at the national level. Downsizing at military installations will make this even more so. The presence of military families in and around Camp Haan will lend stability to the housing market, but a smaller troop presence will decrease spending off base.

Late-stage boom. RIV's economy will bear few of the marks of a late-stage expansion as residents from nearby coastal areas pad the labor force. Commute times to Los Angeles and Anaheim are lengthy, but lower housing costs will lure new residents even as coastal markets cool. House prices in coastal areas are no longer outpacing wage growth, but earlier gains have eroded affordability: The median house price in RIV is one-third lower than in Anaheim and almost four times lower than in Los Angeles. Consumer spending by new residents will power above-average job gains at local restaurants and retail stores, while rising home sales will breathe life into a real estate industry badly stung by the 2018 rise in mortgage rates. Increased spending by new residents will power labor force gains, providing a much-needed backstop to an already-taut labor market.

Immigration. Tighter immigration policies pose the greatest risk to RIV's economy. According to the University of California at Riverside, one in five residents in RIV hail from outside the country. Stepped-up enforcement of immigration laws could discourage international migrants and deprive critical industries of much-needed labor. Migrants are also a significant source of consumer spending, and reduced inflows could stifle growth in the near and medium term.

Riverside-San Bernardino-Ontario is fundamentally healthy, and a growing population will feed the labor force and keep its expansion going. Barring a shake-up of its industrial base, the metro area will remain a lower-income bedroom community to Los Angeles longer term.

Jesse Rogers *1-866-275-3266*
November 2019 *help@economy.com*

2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
150.8	158.0	166.7	171.1	178.5	186.6	Gross metro product (C12$ bil)	191.1	196.7	203.0	211.1	218.0	224.7
3.7	*4.8*	*5.5*	*2.6*	*4.3*	*4.5*	*% change*	*2.5*	*2.9*	*3.2*	*4.0*	*3.3*	*3.1*
1,234.2	1,290.4	1,353.9	1,402.8	1,454.8	1,505.3	Total employment (ths)	1,534.4	1,571.1	1,582.0	1,606.1	1,628.1	1,647.8
4.1	*4.6*	*4.9*	*3.6*	*3.7*	*3.5*	*% change*	*1.9*	*2.4*	*0.7*	*1.5*	*1.4*	*1.2*
9.8	8.1	6.6	6.0	5.1	4.2	Unemployment rate (%)	4.2	4.4	5.9	6.6	6.9	7.0
3.1	5.9	6.7	4.8	4.9	6.6	Personal income growth (%)	6.3	4.5	3.9	5.3	4.8	4.5
53.2	54.6	56.3	58.8	62.0	63.5	Median household income ($ ths)	64.4	66.7	68.4	70.2	72.1	73.9
4,371.9	4,418.7	4,465.2	4,516.7	4,570.4	4,622.4	Population (ths)	4,681.2	4,732.5	4,786.8	4,852.6	4,925.9	5,000.6
0.8	*1.1*	*1.1*	*1.2*	*1.2*	*1.1*	*% change*	*1.3*	*1.1*	*1.1*	*1.4*	*1.5*	*1.5*
3.2	14.2	14.0	20.2	24.7	23.9	Net migration (ths)	28.8	19.5	22.0	33.3	40.3	41.6
6,472	7,222	7,816	8,837	10,955	11,591	Single-family permits (#)	10,538	12,513	17,022	22,611	22,978	22,127
2,876	2,944	2,110	2,084	3,721	3,218	Multifamily permits (#)	4,176	2,640	3,190	3,469	3,344	3,234
193.4	225.6	239.6	254.5	275.3	298.1	FHFA house price (1995Q1=100)	311.3	324.5	336.0	345.0	354.7	369.4

PRÉCIS® U.S. METRO • Riverside-San Bernardino-Ontario CA

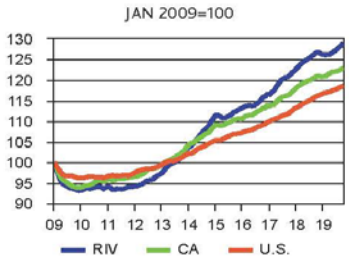
ECONOMIC HEALTH CHECK

3-MO MA	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19
Employment, change, ths	3.2	5.6	6.8	6.7	5.9	3.9
Unemployment rate, %	4.2	4.3	4.2	4.1	4.0	4.0
Labor force participation rate, %	58.6	58.5	58.5	58.4	58.3	58.3
Average weekly hours, #	34.6	34.6	34.5	34.4	34.4	34.6
Industrial production, 2012=100	109.6	109.6	109.5	109.7	109.9	109.9
Residential permits, single-family, #	9,867	10,101	10,778	10,856	11,422	12,042
Residential permits, multifamily, #	3,536	4,171	4,857	4,192	3,828	2,136
Dec/Dec	2013	2014	2015	2016	2017	2018
Employment, change, ths	56.1	66.8	67.5	31.5	58.3	33.7

Better than prior 3-mo MA | Unchanged from prior 3-mo MA | Worse than prior 3-mo MA

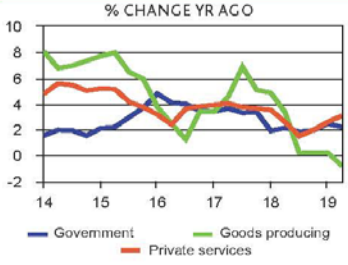
Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS



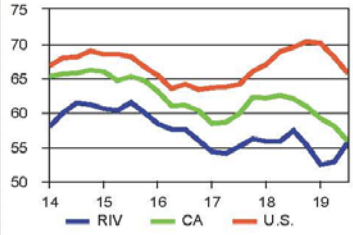
Sources: BLS, Moody's Analytics

% CHANGE YR AGO, 3-MO MA

	Oct 18	Apr 19	Oct 19
Total	3.2	1.3	2.2
Mining	24.6	-0.1	-0.1
Construction	6.1	0.4	-1.5
Manufacturing	3.0	-0.1	0.8
Trade	1.3	0.4	0.2
Trans/Utilities	7.0	2.9	3.1
Information	-0.6	-0.1	0.5
Financial Activities	-1.4	-2.1	2.4
Prof & Business Svcs.	3.3	1.5	3.1
Edu & Health Svcs.	5.8	3.9	5.6
Leisure & Hospitality	2.2	0.9	2.5
Other Services	0.1	-4.3	-2.2
Government	1.8	1.9	2.4

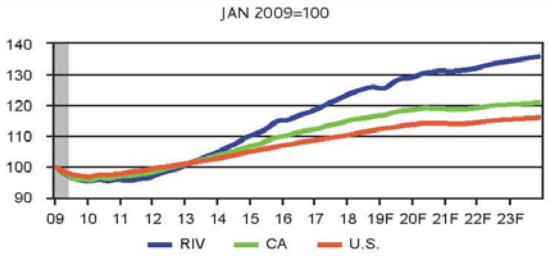
Sources: BLS, Moody's Analytics

DIFFUSION INDEX

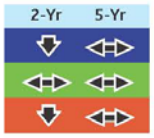


Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

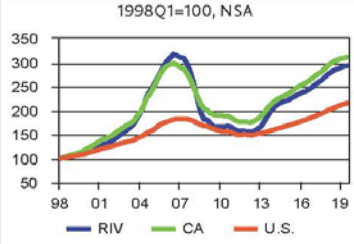


FORECAST VS. 6 MO PRIOR



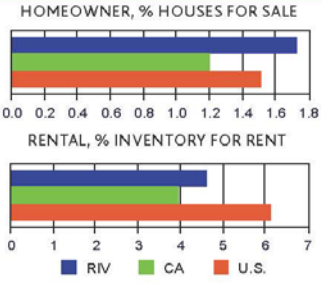
Sources: BLS, Moody's Analytics

HOUSE PRICE



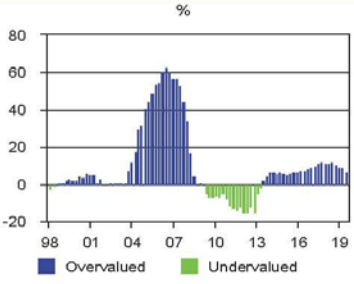
Sources: FHFA, Moody's Analytics

VACANCY RATES



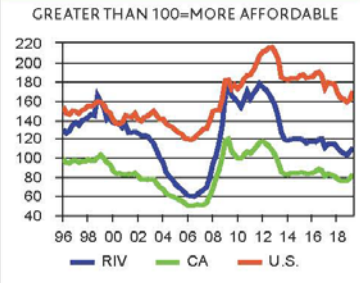
Sources: Census Bureau, ACS, Moody's Analytics, 2018

HOUSE PRICE TRENDS



Sources: FHFA, Moody's Analytics

HOUSING AFFORDABILITY



Sources: NAR, Moody's Analytics

MOODY'S ANALYTICS / Précis® U.S. Metro / November 2019

PRÉCIS® U.S. METRO • Riverside-San Bernardino-Ontario CA

EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

Stater Brothers Markets	18,000
Arrowhead Regional Medical Center	18,000
U.S. Marine Corps Air Ground Combat Center	16,266
Fort Irwin	13,805
Walmart Stores Inc.	12,263
U.C. Riverside	8,686
Loma Linda University	8,582
March Air Reserve Base	8,500
Ontario International Airport	7,510
Amazon	7,500
VA Loma Linda Healthcare System	6,147
Kaiser Permanente	5,739
Target Brands Inc.	4,800
Pechanga Resort & Casino	4,000
Riverside County Regional Medical Center	3,876
Eisenhower Medical Center	3,665
San Manuel Band of Mission Indians	3,261
Morongo Casino, Resort & Spa	3,000
JW Marriott Desert Springs Resort & Spa	2,304
California Baptist University	2,285

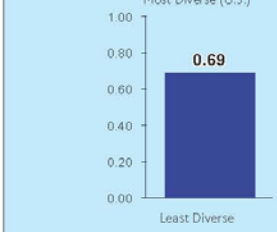
Sources: City of Riverside, 2017, Riverside County Economic Development Agency, 2017

PUBLIC

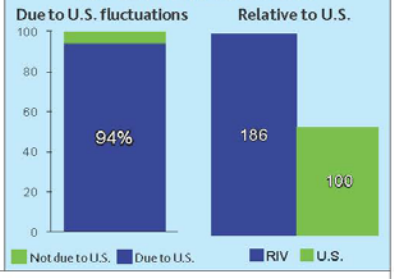
Federal	20,707
State	30,980
Local	206,040

2018

INDUSTRIAL DIVERSITY

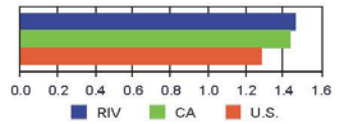


EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

EMPLOYMENT IN NEW COMPANIES, % OF TOTAL



Sources: Census Bureau, Moody's Analytics, avg 2012-2016

EXPORTS

Product	$ mil
Food and kindred products	697.7
Chemicals	864.1
Primary metal manufacturing	ND
Fabricated metal products	ND
Machinery, except electrical	ND
Computer and electronic products	1,764.6
Transportation equipment	1,049.0
Miscellaneous manufacturing	1,710.4
Other products	3,659.9
Total	9,745.7

Destination	$ mil
Africa	76.5
Asia	3,851.2
European Union	1,874.5
Canada & Mexico	2,839.2
South America	398.7
Rest of world	705.5
Total	9,745.7
% of GDP	*5.2*
Rank among all metro areas	*139*

Sources: BEA, International Trade Administration, Moody's Analytics, 2018

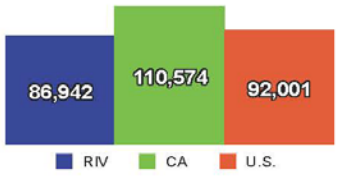
COMPARATIVE EMPLOYMENT AND INCOME

	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
Sector	RIV	CA	U.S.	RIV	CA	U.S.
Mining	0.1	0.1	0.5	$45,680	$66,127	$103,785
Construction	7.0	5.0	4.9	$65,601	$78,900	$68,455
Manufacturing	6.7	7.7	8.5	$66,585	$108,759	$83,365
Durable	*65.7*	*64.0*	*62.6*	*nd*	*$124,251*	*$86,331*
Nondurable	*34.3*	*36.0*	*37.4*	*nd*	*$83,145*	*$78,483*
Transportation/Utilities	8.8	3.9	4.0	$54,516	$57,283	$60,890
Wholesale Trade	4.3	4.1	3.9	$73,839	$91,917	$88,316
Retail Trade	12.0	9.8	10.6	$36,693	$42,493	$35,245
Information	0.7	3.2	1.9	$74,865	$184,240	$119,417
Financial Activities	2.9	4.9	5.7	$29,539	$68,248	$59,540
Prof. and Bus. Services	10.0	15.5	14.1	$41,325	$82,844	$71,767
Educ. and Health Services	16.0	15.9	15.9	$49,851	$57,703	$56,400
Leisure and Hosp. Services	11.3	11.6	11.0	$27,021	$36,319	$29,108
Other Services	3.0	3.3	3.9	$39,245	$42,403	$38,639
Government	17.1	15.1	15.1	$88,674	$98,813	$78,273

Sources: Percent of total employment — BLS, Moody's Analytics, 2018, Average annual earnings — BEA, Moody's Analytics, 2017

PRODUCTIVITY

REAL OUTPUT PER WORKER, $



Sources: BEA, Moody's Analytics, 2017

BUSINESS COSTS



Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
RIV	28.3	1.9
U.S.	7,261.0	4.9

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
RIV	156.5	10.4
U.S.	14,296.2	9.6

Source: Moody's Analytics, 2018

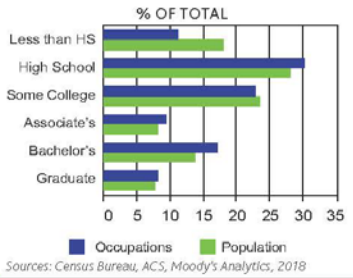
LEADING INDUSTRIES BY WAGE TIER

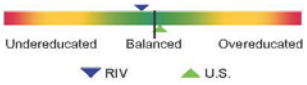
	NAICS	Industry	Location Quotient	Employees (ths)
HIGH	6221	General medical and surgical hospitals	0.8	35.8
	6211	Offices of physicians	0.9	22.0
	GVF	Federal Government	0.8	20.3
	5416	Mgmnt., scientific & technical consult. srvcs.	0.7	9.4
MID	GVL	Local Government	1.4	186.7
	GVS	State Government	0.6	29.1
	ML	Total Military Personnel	1.2	22.1
	2382	Building equipment contractors	1.1	21.5
LOW	7225	Restaurants and other eating places	1.2	115.9
	5613	Employment services	1.7	59.6
	6241	Individual and family services	2.5	52.6
	4931	Warehousing and storage	5.1	43.1

Source: Moody's Analytics, 2018

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SKILLS MISMATCH





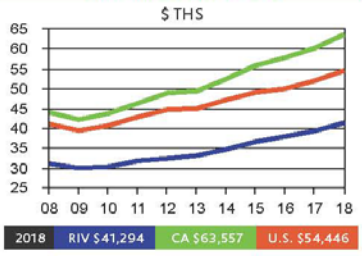
Sources: Census Bureau, ACS, Moody's Analytics, 2018

ECONOMIC DISENFRANCHISEMENT

Index	2018	Rank*
Gini coefficient	0.46	220
Palma ratio	3.1	200
Poverty rate	13.7%	195

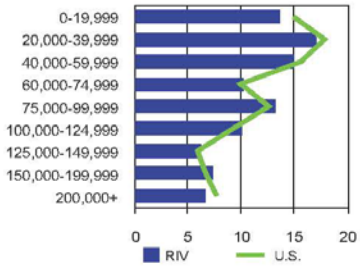
*Most unequal=1; Most equal=403

PER CAPITA INCOME



Sources: BEA, Moody's Analytics

HOUSEHOLDS BY INCOME, %



Sources: Census Bureau, ACS, Moody's Analytics, 2018

MIGRATION FLOWS

INTO RIVERSIDE CA

	Number of Migrants
Los Angeles CA	57,872
Anaheim CA	23,766
San Diego CA	15,889
Las Vegas NV	3,088
Phoenix AZ	2,337
Oakland CA	1,562
Bakersfield CA	1,444
Oxnard CA	1,441
Sacramento CA	1,377
El Centro CA	1,351
Total in-migration	*159,965*

FROM RIVERSIDE CA

Los Angeles CA	31,251
Anaheim CA	16,375
San Diego CA	11,402
Las Vegas NV	5,164
Phoenix AZ	4,232
Bakersfield CA	1,606
Sacramento CA	1,600
El Centro CA	1,503
Oakland CA	1,408
Dallas TX	1,371
Total out-migration	*137,307*
Net migration	**22,658**

COMMUTER FLOWS

RESIDENTS WHO WORK IN RIV



WORKERS WHO LIVE IN RIV



Top Five Outside Sources of Jobs

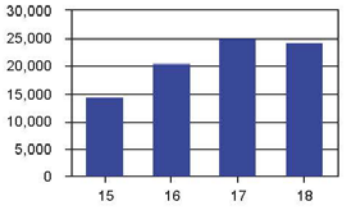
Riverside CA	Share
Los Angeles CA	11.3
Anaheim CA	6.4
San Diego CA	2.8
Bakersfield CA	0.1
Oxnard CA	0.1

Top Five Outside Sources of Workers

Riverside CA	Share
Los Angeles CA	4.9
Anaheim CA	1.9
San Diego CA	0.6
Lake Havasu City AZ	0.1
Bakersfield CA	0.1

Sources: Census Bureau, Moody's Analytics, avg 2009-2013

NET MIGRATION,

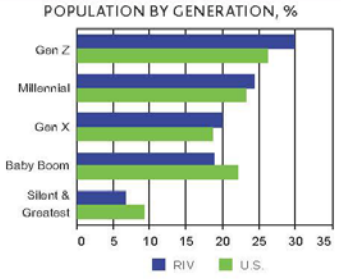


	2015	2016	2017	2018
Domestic	7,322	14,224	21,182	20,523
Foreign	6,700	5,962	3,486	3,412
Total	14,022	20,186	24,668	23,935

Sources: IRS (top), 2016, Census Bureau, Moody's Analytics

GENERATIONAL BREAKDOWN

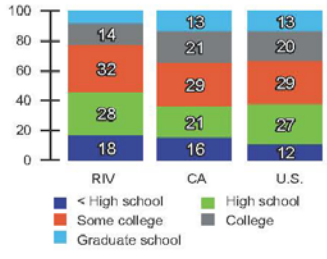
POPULATION BY GENERATION, %



Sources: Census Bureau, Moody's Analytics, 2018

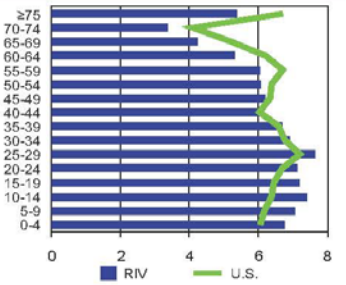
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, ACS, Moody's Analytics, 2018

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2018

MOODY'S ANALYTICS / Précis® U.S. Metro / November 2019

Neighborhood Analysis



The subject property is located in Palm Springs, within Riverside County, California. The city of Palm Springs is located within the Coachella Valley in Southern California, approximately 107 miles east of Downtown Los Angeles. Palm Springs is approximately 94 square miles in size, making it the largest city in terms of land area in Riverside County. The neighborhood primarily consists of leisure, retail, businesses, and residential communities. The city is also famous for its mid-century modern architecture and design elements.

Access & Transportation

The subject market is primarily accessed via vehicular transportation and benefits from its proximity to California State Route 74 and 111, Interstate 10, and Palm Springs International Airport. The following details the various points of access for the subject market.

Vehicular Transportation

- The subject market benefits from its convenient access from California State Route 74 and 111 as well as Interstate 10. California State Route 74 is a scenic, east-west thoroughfare, running approximately 110 miles from Palm Desert in Riverside County to San Juan Capistrano in Orange County. In addition, California State Route 111 is a north-south thoroughfare, running approximately 130 miles from White Water to Calexico. Lastly, the subject market benefits from its proximity to Interstate 10. Interstate 10 is a major east-west thoroughfare running approximately 2,460 miles from its western terminus in Santa Monica, CA, through the Coachella Valley, to its eastern terminus in Jacksonville, FL.

Air Transportation

The subject area benefits from its proximity to several major airports, which include:

- **Palm Springs International Airport (PSP)** is a publicly owned airport facility located in the City of Palm Springs that also serves the Coachella Valley area and is located approximately one mile northeast of the subject property. In 2019, the airport handled 2,563,955 passengers according to City of Palm Springs. This was a 10.2 percent increase over the previous year.

PSP - Statistics		
Year	Passengers	Percent Change
2012	1,727,122	-
2013	1,752,180	1.5%
2014	1,914,402	9.3%
2015	1,888,657	-1.3%
2016	1,998,206	5.8%
2017	2,100,072	5.1%
2018	2,327,018	10.8%
2019	2,563,955	10.2%
Annual Compound Growth		5.8%
Compiled by LW Hospitality Advisors®		

- **Los Angeles International Airport (LAX)** is a publicly owned airport facility located approximately 120 miles west of the subject property and serves as a major airport for visitors to Los Angeles and Southern California. By passenger traffic, Los Angeles International Airport is the fourth busiest airport in the world and second busiest in the United States, offering 692 daily flights to 85 domestic cities and 928 weekly nonstop flights to 67 cities in 34 countries on 59 commercial air carriers. Approximately 90 national and foreign air carriers and cargo lines link Los Angeles with major world cities.

LAX - Statistics		
Year	Passengers	Percent Change
2012	63,688,121	3.0%
2013	66,665,726	4.7%
2014	70,663,519	6.0%
2015	74,956,305	6.1%
2016	80,921,527	8.0%
2017	84,558,776	4.5%
2018	87,533,177	3.5%
2019	88,068,013	0.6%
Annual Compound Growth		4.1%
Compiled by LW Hospitality Advisors®		

As shown, LAX has seen strong growth in passenger volume in recent years.

Currently, the organization Los Angeles World Airports ("LAWA") is in the middle of a multi-billion-dollar plan to expand and modernize the Los Angeles International Airport, projected to last through 2020. The Los Angeles International Airport modernization program consists of more than 20 individual projects. The centerpiece of the program is the New Tom Bradley International Terminal (New TBIT) Project, which includes new aircraft gates and concourse areas, and a Great Hall for premier dining and retail. Additionally, there are several major airfield and facility projects

underway, including a new Central Utility Plant, new taxiways and taxi-lanes, and renovations to other terminals.

- **LA/Ontario International Airport (ONT)** is a publicly owned airport facility located in the City of Ontario that also serves visitors to Southern California and is located approximately 70 miles northwest of the subject property. In 2019, the airport handled 5,583,732 passengers according to Ontario International Airport. This was a 9.1 percent increase from the prior year. The airport experienced continuing traffic decline since 2007, but reversed in early 2017, when the airport experienced faster growth than LAX. On September 30, 2017, it was announced that China Airlines would begin nonstop flights from Ontario to Taipei which started in Spring 2018.

- **San Diego International Airport (SAN)** is the busiest single runway airport in the country, serving six hundred separate take-offs and landings each day. Additionally, it is located approximately 140 miles from the subject property. The airport is very convenient to central San Diego and consistently ranks high on customer service satisfaction surveys. Last year, 74% of passengers rated their overall experience as extremely satisfactory. Other cities usually have scores showing only 60% of passengers ranking their overall experience this high. Since 2010, passenger traffic at SAN has increased at an average annual compounded rate of 4.6%. The airport had a record number of passengers though November of 2019 exceeding 23 million.

Population

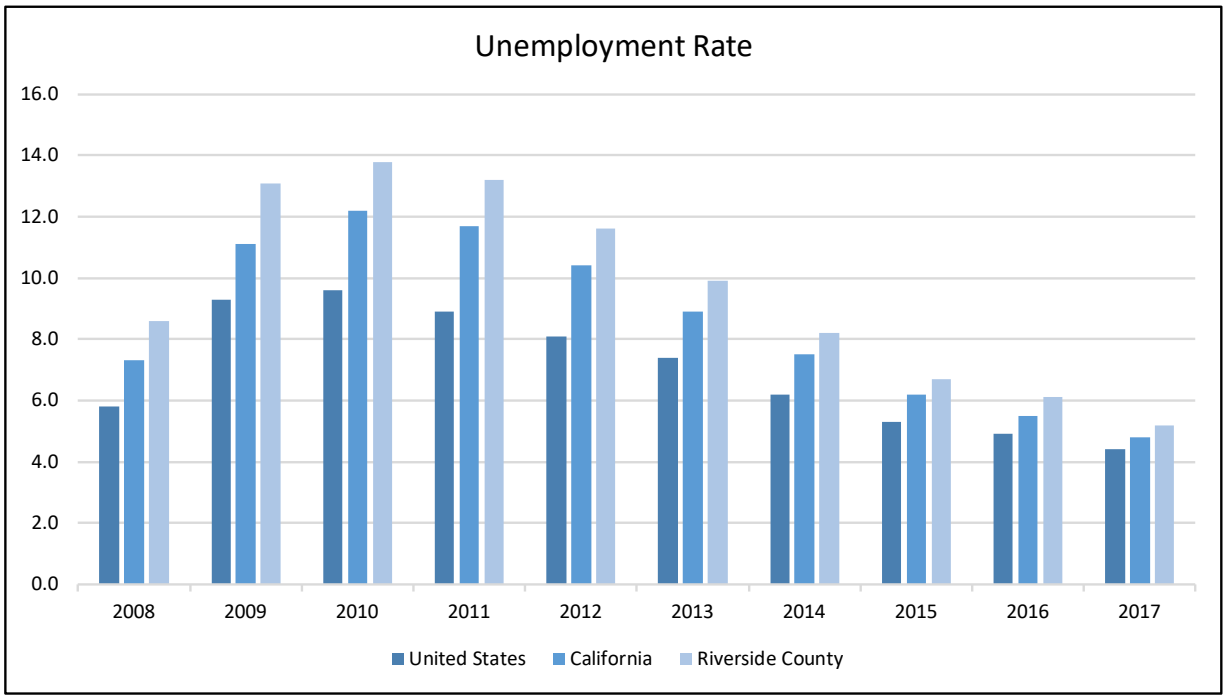
Population growth is an important factor in determining the economic strength of a given area. Although the growth of a local population is not related directly to room-night demand, it does reflect the employment growth and future employment concentration which, in turn, typically influence levels of commercial room-night demand. According to Moody's Analytics, population in the Riverside-San Bernardino-Ontario MSA increased by a compound annual rate of 1.1 percent from 2013 through 2018. The below chart shows the population growth of the United States, California, the Riverside-San Bernardino-Ontario, CA, and Riverside County.

Population Growth				
Year	**United States**	**MSA**	**California**	**Riverside**
2014	318,386,000	4,419,000	38,597,000	2,318,000
2015	320,743,000	4,465,000	38,918,000	2,347,900
2016	323,071,000	4,517,000	39,167,000	2,382,600
2017	325,147,000	4,570,000	39,358,000	2,417,200
2018	327,167,000	4,622,000	39,462,000	2,450,800
CAGR	**0.62%**	**1.13%**	**0.69%**	**1.40%**
Source: U.S. Census Bureau and Moody's Analytics				
Compiled by LW Hospitality Advisors				

As can be seen in the above chart, the population of Riverside County increased by a compound annual rate of 1.4 percent from 2013 through 2019 which was greater that of the United States. Going forward, Moody's Analytics forecasts population to increase by a compound annual rate of 1.3 percent to approximately 5,001,000 residents through 2024.

According to the most recent information provided by the U.S. Census Bureau, the population of Palm Springs was 48,375 as of July 2018 (most recent available), an 8.6 percent increase from 2010 census figures. Residents of Palm Springs with a bachelor's degree or higher education represent approximately 36.3 percent. The home ownership rate is 58.9 percent, with approximately 23,551 households consisting of 1.98 persons per household. The median household income is approximately $48,126. The unemployment rate is estimated to be 4.0 percent with 18.5 percent of the population living below the poverty line.

According to Moody's Analytics, total employment in the Riverside-San Bernardino-Ontario MSA increased by a compound annual rate of 4.1 percent from 2013 through 2018. Going forward, Moody's Analytics forecasts total employment to increase by a compound annual rate of 1.5 percent through 2024. The below chart shows the unemployment rate of the United States, California, and Riverside County over the past 10 years.



Local Economy & Demand Generators

In recent years, the Greater Palm Springs Conventions and Visitors Bureau (CVB) has made significant efforts to market the Greater Palm Springs area, rather than just the City of Palm Springs. The CVB has expanded marketing efforts to include nine cities: Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, Indio, La Quinta, Coachella, and Desert Hot Springs. As a result of this increased marketing, the Coachella Valley has experienced significant economic growth over the last five years. In terms of lodging demand, the subject market is heavily leisure-oriented, with commercial demand coming from national accounts and project-based employees. The majority of lodging demand, however, is derived from vacationers, event-goers, or "snowbirds". The list below includes some of the area's most notable demand generators:

- **Palm Springs Convention Center** - The Palm Springs Convention Center re-launched in the fall of 2005, after an extensive $32 million renovation and expansion. Today the 261,000 square foot Convention Center combines the best services and staff with a world class setting, and a building that surpasses expectations. It is managed by SMG. The center is flexible, spacious and positioned to maximize the benefits of its surroundings. It houses roughly 100 conventions per year, bringing in roughly 130,000 attendees and 86,000 room nights, according to the Convention Bureau. Recent statistics from the Center are noted in the following table.

Convention Center Room Nights				Changes			
	2017	2018	2019	2017-2018	% Change	2018-2019	% Change
January	5,245	6,237	4,610	992	18.90%	-1,627	-26.10%
February	6,977	7,742	5,775	765	11.00%	-1,967	-25.40%
March	12,593	14,760	13,392	2,167	17.20%	-1,368	-9.30%
April	9,587	8,039	10,339	-1,548	-16.10%	2,300	28.60%
May	3,869	5,447	10,196	1,578	40.80%	4,749	87.20%
June	5,959	3,380	5,149	-2,579	-43.30%	1,769	52.30%
July	3,973	3,053	2,901	-920	-23.20%	-152	-5.00%
August	5,583	3,477	6,797	-2,106	-37.70%	3,320	95.50%
September	4,993	1,528	6,305	-3,465	-69.40%	4,777	312.60%
October	7,253	4,439	13,540	-2,814	-38.80%	9,101	205.00%
November	8,002	5,438	5,873	-2,564	-32.00%	435	8.00%
December	1,362	5,280	1,245	3,918	287.70%	-4,035	-76.40%
Total	75,396	68,820	86,122	-6,576	-8.70%	17,302	25.10%

Future bookings for the Center are reportedly strong for the next several years.

- **Coachella Valley Music and Arts Festival** – commonly referred to as Coachella, the annual music and arts festival, held at the Empire Polo Club in Indio, CA, features a diverse array of musical genres as well as art installations and sculptures. Similar to many music festivals, which have gained popularity over the last decade, Coachella features several stages with many concurrent live performances being hosted throughout the length of the festival, which lasts for two consecutive three-day weekends in April of each year;

- **Stage Coach Festival –** an outdoor country music festival presented by Goldenvoice, The Messina Group, and Moore Entertainment. The festival is also held at the Empire Polo Club in Indio, California. Various artists attend, ranging from folk, mainstream country, bluegrass, roots rock, and alternative country. It is the highest-grossing festival centered on country music in the world. The festival acts as a sister event to Coachella Valley Music and Arts Festival, taking place the following weekend at the same site;

- **Desert Trip** – also hosted at the Empire Polo Club in Indio, CA, the most recent concert installment in the Coachella Valley, Desert Trip began in 2016, hosting a plethora of classic-rock live performances. The newly implemented event is anticipated to continue in years to come as it surpassed speculators' expectations during its inaugural weekends, however no event was scheduled for 2018 or 2019;

- **The Living Desert** – a zoo and botanical garden featuring nature trails, animal shows, wildlife hospital, and an art gallery in the Sonoran Desert of Coachella Valley and Santa Rosa Mountains

foothills near Palm Springs. The programs provide environmental education, native wildlife rehabilitation, plant propagation and habitat restoration, and captive breeding of African and Sonoran Desert species, including the area's iconic desert bighorn sheep.;

- **Sports Tournaments** – The Palm Springs area also hosts numerous annual sports tournaments and events including the PGA Tour, Indian Wells Tennis Tournament, Tour de Palm Springs, Desert Triathlon, among many others;

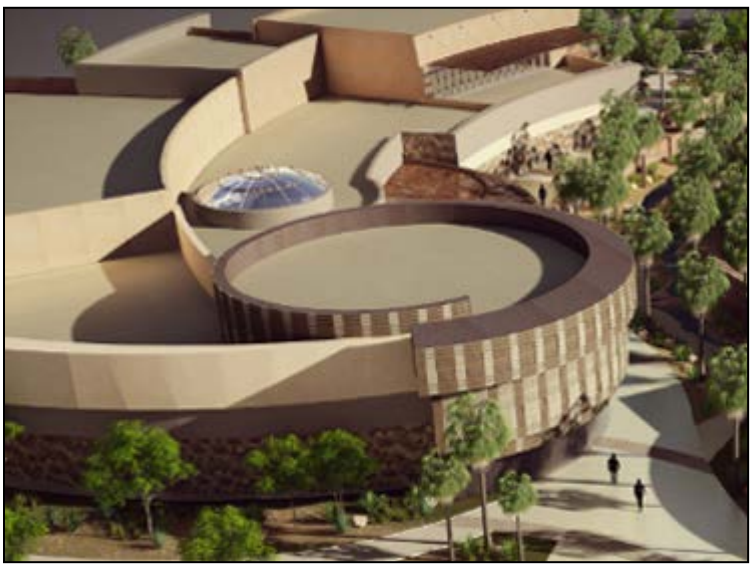
- **Shopping** – the popular leisure-oriented area also features many shopping centers including Palm Canyon Drive in downtown Palm Springs, the El Paseo Shopping District, Westfield Palm Desert, College of Desert Street Fair, as well as other Outlet shopping areas;

- **Temecula Wine Country** – the Temecula Valley is widely recognized as the 'jewel' of Riverside County with hundreds of award-winning wineries and vineyards;

In addition to the aforementioned events and attractions, the Greater Palm Springs area is well-known for the numerous golf courses, spas and wellness centers, art centers, and other cultural attractions. Additional events that are new for the area in 2017 include: The CareerBuilder Challenge, Modernism Week, Palm Springs Life Festival, Desert X, Taste of Tennis, BNP Paribas Open, The Jansen Cup: UK & US, and Splash House. Adding to the diverse array of events that are already hosted in the Greater Palm Springs area, these events are anticipated to generate significant room night demand for lodging facilities in the area.

Local Developments

- **Agua Caliente Cultural Plaza –** Located approximately a half mile from the subject property, the Agua Caliente Cultural Plaza in downtown Palm Springs will feature a cultural museum, art gallery, gathering plaza, landscaped gardens and a walkable outdoor Oasis Trail complete with meditation labyrinth. The site will also be home to the Agua Caliente Spa and Bathhouse, which will offer treatment rooms, outdoor mineral pools, men’s and women’s bathhouses, a tranquility garden, fitness center and salon. The project is currently under construction and set to open in 2020.





- **Agua Caliente Entertainment Arena** – The Agua Caliente Band of Cahuilla Indians recently announced a partnership with Oak View Group for a $250 million indoor arena. The project is expected to increase the area's entertainment offerings with top-tier touring artists and live performances as well as a new minor league hockey team. The NHL Seattle franchise submitted an application for a minor league team. The arena will be built on 16 acres on tribal land and is anticipated to include 10,055 seats, along with 20 suites, and 800 club-level seats. The project is expected to being construction in February 2020 with completion by fall 2021.

- A **Montage and Pendry** hotel are currently under construction approximately 25 miles from the subject property. The site is located between Avenues 52 and 54, just west of Jefferson Street in La Quinta, California. The site is planned to be improved with a 140-room Montage full-service hotel with residences that is slated to open in early 2021. Amenities at the Montage will include two restaurants, a lounge, outdoor pool, fitness center, a full-service spa, business center, and a sundry shop. The site will also be improved with a 200-room Pendry full-service hotel with residences that is slated to open at the same time. Amenities at the Pendry will include two restaurants, a lounge, outdoor pool, fitness center, business center, and sundry shop. Both hotels will share approximately 21,500 square feet of dedicated indoor meeting space located in a separate structure. The property also includes an existing 18-hole Arnold Palmer golf course.





Conclusion

Historically, the Coachella Valley was most known for the Palm Springs area specifically. However, with the proliferation of various annual musical festivals, art exhibits, and sports events the Greater Palm Springs CVB has been able to more effectively market the entire nine-city valley. These marketing efforts have been notably successful, boosting lodging performance as well as overall economic indicators. Although the subject market is heavily dependent on the leisure segment, which is typically unpredictable and significantly correlated with the national and regional economies, the re-branding of the Valley is anticipated to sustain a higher threshold of economic and lodging performance, particularly with the increasing popularity of locally-held events and festivals.

National Lodging Market Analysis

While the U.S. continues to be in the midst of its longest uninterrupted economic expansion in modern history, slowing growth metrics along with abundant geopolitical uncertainties are heightening perceived risk of impending recession. Concerns include:

- U.S. GDP growth is decelerating and during the near-term increases are anticipated to remain modest;
- The Conference Board's consumer confidence index fell to 125.1 in September, down from a revised August 2019 reading of 134.2;
- Trade with Canada and Mexico falls into the same uncertainty now gripping U.S. relations with China and Europe. A failure of Congress to ratify a new NAFTA deal which will govern trade relations with these two neighboring countries is a warning sign that illustrates how political volatility could drag down the U.S. economy even if its fundamentals remain strong;
- The Federal Reserve Bank of New York's recession probability indicator, which gauges the likelihood of a recession within the coming 12 months, rose steeply from around 10 percent at the beginning of 2019 to 37.9 percent in August;
- An inverted interest rate yield curve has endured for several months, a phenomenon that has signaled each U.S. economic recession since 1950;
- Ultra-low interest rates continue to trend downwards. While this is a positive for borrowers, it is also raising speculation that America is destined for negative yields like where Japan and much of Europe have been stuck for some time;
- Washington DC is currently in an impeachment frenzy;
- Unknown effects of Brexit which depend on whether the UK leaves with a withdrawal agreement, or before an agreement is ratified ("no-deal" Brexit);
- In response to a proposed extradition bill, which included an agreement with mainland China, since June, Hong Kong has been subject to mass demonstrations with continuous violent clashes and rioting;
- The Middle East is currently more combustible than ever. Conflict(s) resulting in global ramifications could break out in various cites/countries for a multitude of reasons;

Despite daily warnings of possible economic fragility, jobs creation statistics remain relatively steady and personal incomes continue to grow, both of which could sustain the financial system during whatever rough patches may be encountered. Not everyone believes a recession is imminent, and contrarians can point to other metrics that paint a much sunnier picture. Either way, the prevailing view seems to be that when the next recession hits, it will be less severe than the last one.
Through this past August the U.S. hotel industry's expansion cycle reached 114 months, as hotel revenue per available room (RevPAR) declined year over year only two months during this period, namely during

August 2018 and in June 2019. Generally, national hotel supply and demand growth are in equilibrium resulting in relatively flat occupancy levels and lackluster RevPAR growth stemming from average daily rate increases barely equal to inflation (and decelerating).

America's hotel sector has been operating at peak levels for the past three years as an expanding economy has readily absorbed accelerated supply growth in most markets. Notwithstanding rising salary and wage rates and slowing revenue growth, operators have controlled costs sufficiently to achieve GOP margins at their highest levels since the 1960s. With everything said, the near-term lodging outlook appears choppy as prognosticators have downgraded projected 2020 national RevPAR growth.

The LW Hospitality Advisors (LWHA) Q3 2019 Major US Hotel Sales Survey includes 41 single asset sale transactions over $10 million, none of which are part of a portfolio. These transactions totaled $3.725 billion and included approximately 13,100 hotel rooms with an average sale price per room of $283,000. By comparison, the LWHA Q3 2018 Major U.S. Hotel Sales Survey identified 57 transactions totaling roughly $6.4 billion including 15,300 hotel rooms with an average sale price per room of nearly $419,000. With more than 28 percent fewer trades and a 42 percent decline in total sale dollar volume during Q3 2019, the U.S. hotel transaction market has clearly slowed down when compared to Q3 2018 along with a growing disconnect between seller prices and buyers' bids.

Notable observations from the LWHA Q3 2019 Major U.S. Hotel Sales Survey include:

- Twelve or roughly 30 percent of the total number of Q3 2019 sale transactions occurred in two states;
    - With seven Q3 2019 hotel sales, Florida continues to be the most active transaction market followed by five trades in California;
- NYC continues to experience a challenging environment for hotel investment as only one sale occurred during Q3 2019 subsequent to zero during Q2 2019;
- Ten of the 42, or almost a quarter of Q3 trades, were for greater than $100 million each;
    - Six of the Q3 trades were between $100 and $200 million.
    - Two of the Q3 trades were between $200 and $400 million;
        - Premier Group WLL based in Bahrain acquired the 215 room Four Seasons Hotel One Dalton Street, Boston for $268 million, or $1.250 million per unit from Carpenter & Company, Inc. who recently developed the property with a 61-story mirrored glass tower that separately includes a 160 Four Seasons Private Residences;
        - Blackstone purchased the 1,260 room Hyatt Regency Atlanta for $355 million or $282,000 per unit from Hyatt Hotels Corporation who will continue to operate the facility. Opened in 1967, the Hyatt Regency Atlanta was designed by internationally acclaimed architect John C. Portman, Jr. and was the first contemporary atrium-style hotel ever constructed;

- Two Q3 trades occurred above $500 million each;

  - Caesars Entertainment Corporation (Caesars) sold the 2,548-unit Rio All-Suites Hotel & Casino in Las Vegas to Imperial Companies for $516.3 million, or $203,000 per unit. Caesars will continue to operate the property pursuant to a lease for a minimum of two years at $45 million in annual rent. The transaction also provides the buyer an option to pay Caesars an additional $7 million for the extension of the lease under similar terms for a third year. Caesars reportedly will retain its rewards customers and the hosting rights to the annual the World Series of Poker;

  - A joint venture between Trinity Real Estate Investments LLC and Elliott Management Corporation acquired the 950 room JW Marriott Phoenix Desert Ridge Resort & Spa for $602 million, or $634,000 per unit;

- Suffolk University's acquisition of the Ames Boston Hotel highlights several trends:
  - Universities are challenged to obtain adequate land and student housing, particularly in urban locations;

  - Development sites in urban gateway markets in the U.S. are trading at a premium;

  - Investors and real estate users have become more creative, and are willing to pay up in order to meet their objectives, and;

  - Supply of hotel rooms does not always grow. Fluctuating markets often result in changing highest and best property uses culminating in lodging facilities being converted or demolished to make way for alternative income producing opportunities.

- GIC Private Limited, formerly known as Government of Singapore Investment Corporation entering into a joint venture with Summit Hotel Properties to acquire the 88-guestroom Hampton Inn & Suites in Silverthorne, CO is intriguing. An overseas sovereign wealth fund investing 49 percent of a $25.5 million capitalization in a Rocky Mountain town is illustrative of global capital chasing yield by seeking opportunities in a relatively small sized deal situated in a rural resort area;

- Sophisticated hotel centric investors continue to execute capital recycling strategies within the lodging sector. Entities that are active purchasers and sellers of hotels include:

  - Ashford Hospitality Trust
  - Blackstone
  - Brookfield Property Partners L.P.
  - Clearview Hotel Capital
  - Columbia Sussex Corporation
  - Elliott Management Corporation
  - GAW Capital Partners
  - Highgate
  - Host Hotels & Resorts Inc.
  - Hyatt Hotels Corporation
  - Noble Investment Group

- Park Hotels & Resorts
- Peachtree Hotel Group
- Pebblebrook Hotel Trust
- RLH Corporation
- Starwood Capital Group
- Summit Hotel Properties
- Trinity Real Estate Investments
- Wheelock Street Capital
- White Lodging

Additional commentary on the U.S. hotel market based upon my observations:

- With enormous amounts of equity from all over the globe chasing yield at this stage in the cycle, the hotel sale transaction market remains relatively robust. Savvy investors continue to see compelling rationales to capitalize on opportunities to obtain irreplaceable locations and buildings, evidenced in part by the reported frenzied bidding amongst more than a dozen investor groups for Anbang Insurance Group's 15 property $5.8 billion luxury hotel portfolio;

- M&A activity in the sector also remains robust as demonstrated by:

  - The recently announced merger of two significant independent hotel operators, namely Aimbridge Hospitality and Interstate Hotels & Resorts which will result in a combined management portfolio of more than 1,400 hotel properties in 49 states and 20 countries, and;

  - Park Hotels & Resorts Inc. closing its $2.5 billion acquisition of Chesapeake Lodging Trust;

- Secondary and/or tertiary cities such as Charlotte, Houston, Salt Lake City, and Tampa continue to evolve into attractive markets for investors challenged to identify quality hospitality investment opportunities in high priced first-tier cities such as Boston, Los Angeles Miami, New York, and San Francisco;

- The sector continues to be flush with CMBS and other debt products which support lower all in borrowing costs and often provide a compelling thesis to refinance owned assets and return equity, versus placing them on the market for sale;

- A continued strong U.S. dollar and political factors are contributing to weakened inbound international travel trends which places negative pressure on hotel performance in several gateway markets including New York, San Francisco and Washington DC;

- Operating expense models have changed across the industry, particularly in union markets. A higher proportion of costs are now fixed rather than variable with occupancy, particularly labor, as government and/or union work rules have created challenges to flexing schedules;

- Several markets have passed legislation imposing stricter restrictions on alternative accommodations such as Airbnb and VRBO which should drive incremental compression hotel room nights;

- The Hotel Advertising Transparency Act of 2019, a bipartisan bill was recently introduced in the U.S. House of Representatives that if ratified would prohibit resort/amenity/facility and other fees from being introduced to travelers late in the booking process. Fees have become increasingly popular at full service and resort properties, and as ADR growth has slowed these high margin revenues enhance net operating income while remaining competitive in terms of the advertised room rate. Added disclosure and full pricing transparency should create a more level playing field, but certain hotels' relative value proposition could be negatively impacted in the eyes of price-sensitive consumers.

Although perceived risks to a positive outlook are evolving, the U.S. economy remains resilient, though risks to a positive outlook are mounting. Economic and geopolitical uncertainty is negatively impacting cross-border transaction volumes and in the near-term broader growth uncertainties will remain a headwind for global investor sentiment. History has proven that a late cycle mind set positions markets to be more intensified towards signs of difficulties, and that such sentiments can "talk the market down" and turn into a self-fulfilling prophecy and induce a recession.

Everything in life is relative. Consider that during the Great Recession of a decade ago, on average the U.S. lodging industry produced profits, albeit lower than prior years. During the economic recession of the early 1990's, coupled with the negative effects of the Persian Gulf War, the U.S. hotel industry was largely unprofitable. Although growth of current record high lodging fundamentals may be slowing, nonetheless future growth is anticipated to endure.

Due in part to the lack of long-term credit worthy tenancies and that with continuous resetting of room rates, hotels are fundamentally long-term investments. At any point in a cycle, shrewd lodging investors that pay market prices predicated upon underwriting (not necessarily holding) a minimum ten-year projection period tend to realize healthy returns.

Hotel Transaction Volume

Global hotel transaction volume in calendar year 2018 increased slightly over 2017 level to an estimated $67.7 billion. The Jones Lang LaSalle (JLL) forecast for 2019 indicates that the global economic and real estate markets are expected to move towards slower growth in 2019, though holding steady to 2018 levels with a 2019 global transaction volume forecast of $67.2 billion. As indicated below, year-over-year increases in the Asia-Pacific region are expected to somewhat offset expected declines and limited growth in the EMEA and Americas sectors.

A number of factors will play a crucial role in 2019, including (1) increasingly volatile equity markets; (2) slower economic growth projections; (3) an uncertain pace of future interest rate hikes; (4) trade tensions between the U.S. and China; and (5) political uncertainty in the UK, France and Italy.

Global Hotel Transaction Volumes				
	Americas	***EMEA***	***Asia Pacific***	***Total***
2015 (in billions)	$46.4	$29.2	$9.2	$84.8
2016 (in billions)	$31.0	$20.5	$8.5	$60.0
2017 (in billions)	$28.2	$24.7	$13.5	$66.4
2018 (in billions)	$36.5	$22.9	$8.3	$67.7
2019F (in billions)	$36.5	$21.2	$9.5	$67.2
2018/2019 Percent Change	*Flat*	*-5% - 10%*	*15%*	*Flat*
Source: Jones Lang LaSalle				

Recent years have seen new investors and investment strategies emerge, enabling investors to enter hotel real estate in ways beyond direct acquisition of assets, such as debt investments, strategic joint ventures, recapitalizations, and real estate and brand merger and acquisition (M&A) activity, which are expected to continue to be prevalent in 2019.

After a slow start to the year, foreign investment in the US accounted for 12.0 percent of volume in Q2 2019. Cross-border capital is expected to continue following an upward trend in the second half of the year. According to Jones Lang LaSalle, transaction volume was down approximately 28% in H1 2019. The decline in the first half of 2019 is attributable to 70.0 percent less portfolio sales activity. The two largest portfolios by volume to transact in H1 2019 – Noble Investment Group's multi-state hotel portfolio ($229.0 million) and Summit's six-hotel portfolio ($156.8 million) – were primarily comprised of high-quality select service hotels. Single-asset hotel transaction activity remained consistent in H1 2019 relative to H1 2018 at approximately $9.0 billion. Investors remain interested in luxury assets, which are trading for below replacement cost and continue to face a more limited supply pipeline.

Investment Rates

Capitalization rates have remained relatively steady over the past two years, despite slowing hotel income growth and interest rate increases. The latest Q3 2019 Real Estate Investor Survey published by PwC for luxury, full service, limited service and select service properties is illustrated in the following table, as well as the comparison to Q1 2019, Q3 2018, Q1 2018 and Q3 2017:

Hotel Investor Survey									
	Discount Rate			Overall Cap Rate			Residual Cap Rate		
Type	Range		Average	Range		Average	Range		Average
PwC Hotels									
Luxury/Upper-Upscale									
Q3 2019	6.25%	13.00%	9.55%	4.00%	9.50%	7.05%	5.50%	9.50%	7.33%
Q12019	6.25%	13.00%	9.55%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q3 2018	6.25%	12.00%	9.45%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q1 2018	6.50%	12.00%	9.50%	4.00%	9.00%	7.05%	5.50%	9.50%	7.23%
Q3 2017	6.50%	12.00%	9.53%	4.00%	9.00%	7.03%	5.00%	9.50%	7.18%
Full Service									
Q3 2019	8.00%	11.00%	9.90%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q12019	8.00%	11.00%	9.70%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q3 2018	8.00%	13.00%	10.20%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q1 2018	8.00%	13.50%	10.33%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q3 2017	8.00%	13.00%	10.19%	6.00%	10.00%	7.85%	7.00%	10.00%	8.44%
Limited Service*									
Q3 2019	8.00%	14.00%	10.55%	7.50%	12.00%	9.15%	7.75%	12.00%	9.48%
Q12019	8.50%	14.00%	10.80%	7.50%	11.00%	9.05%	7.75%	12.00%	9.53%
Q3 2018	8.50%	13.00%	10.50%	7.50%	11.00%	9.15%	7.75%	11.00%	9.38%
Q1 2018	8.50%	13.00%	11.00%	7.50%	11.00%	9.15%	7.75%	11.00%	9.78%
Q3 2017	8.50%	13.00%	11.00%	7.50%	11.00%	9.08%	7.75%	11.00%	9.83%
Select Service**									
Q3 2019	8.00%	12.00%	10.30%	6.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q12019	8.00%	12.00%	10.10%	7.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q3 2018	8.00%	11.00%	9.55%	7.00%	10.00%	8.50%	7.00%	10.00%	8.75%
Q1 2018	7.50%	12.00%	9.90%	6.50%	10.00%	8.56%	7.00%	10.75%	8.93%
Q3 2017	8.00%	12.00%	10.20%	6.50%	10.00%	8.70%	7.00%	10.75%	9.08%

** Limited Service includes midscale and economy lodging with rooms only*

*** Select Service includes upscale and upper-midscale lodging with rooms only.*

Source: PwC Real estate Investor Survey - Q3 2019

PwC indicates that the U.S. lodging industry appears to be at an inflection point, driven by a combination of decelerating demand growth as well as continued economic and global trade risks. Second quarter 2019 results came in significantly below expectations with ADR levels up 1.2% and occupancy levels down 0.1%, resulting in a tepid RevPAR increase of 1.1%. Between flattening occupancy and an overall lack of pricing power, RevPAR grew at a modest level, as hotels traded occupancy for rate. U.S. lodging performance continued to experience headwinds in July, characterized by anemic RevPAR growth.

Looking ahead to the remainder of 2019, the near-term U.S. lodging outlook remains choppy with unemployment expected to reach a cyclical low by the end of this summer at around 3.5%, GDP growth decelerating, and consumer spending softening. In 2020, U.S. lodging supply and demand growth are expected to moderate, resulting in a very slight decline in occupancy. Rising inflation is expected to support marginal growth in ADR, resulting in an expected RevPAR increase of 1.0% for 2020, the lowest rate in a decade.

According to CBRE's H1 2019 Cap Rate Survey, cap rate movement reflected the disparate supply -and-demand dynamics across the country. STR data for H1 2019 indicates greater supply growth than demand growth (2.5% versus 1.3%) in the top-25 markets and greater demand growth than supply growth (2.6% versus 1.8%) in other hotel markets. The most dramatic cap rate increases occurred among full-service and economy classes in Tier I cities. Every market class in Tier III cities recorded declines in hotel cap rates, the most noteworthy of which was a 9-bp drop in economy class. Combined with other anecdotal evidence collected by CBRE, this suggests that investor interest in small markets is growing. Evidence suggests that the pace of CBD hotel room supply additions is quickening. STR data revealed a widening spread between supply and demand growth throughout H1 2019, which is influencing investor bidding.

CBRE cap rate forecast trends vary by specific market and property class however the overall majority indicate relative stability over the near-term future (six-month outlook).

CBRE Hotel Capitalization Rates									
	City	Luxury		Full Service		Select Service		Economy	
		CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)
Tier I	Boston	4.00 - 6.50	6.50 - 7.50	5.50 - 7.00	7.50 - 8.00	6.50 - 7.50	7.50 - 8.50	-	8.00 - 9.00
	Chicago	6.75 - 7.50	7.50 - 8.75	7.00 - 8.75	8.00 - 10.00	7.25 - 8.25	8.50 - 9.50	9.50 - 10.75	10.00 - 12.00
	N.CA: Oakland	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.00 - 8.00	8.50 - 10.50	8.00 - 9.00	9.50 - 11.50	9.50 - 11.50
	N.CA: San Francisco	6.00 - 7.00	7.00 - 8.00	7.00 - 8.00	8.00 - 9.00	8.00 - 9.00	9.50 - 10.50	8.50 - 10.50	9.50 - 11.50
	N.CA: San Jose	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.00 - 8.00	8.50 - 10.50	8.00 - 9.00	9.50 - 11.50	9.50 - 11.50
	NY: N. New Jersey	6.25 - 6.75	7.00 - 7.75	6.75 - 8.25	7.50 - 9.00	7.75 - 8.75	7.75 - 9.00	8.00 - 9.00	9.00 - 10.50
	NY: New York City	4.50 - 5.50	6.50 - 8.00	6.50 - 7.50	7.50 - 9.00	6.75 - 8.00	7.75 - 9.50	8.00 - 9.00	9.00 - 11.00
	S.CA: Inland Empire	7.25 - 9.00	7.25 - 9.00	7.50 - 9.25	7.50 - 9.25	7.25 - 9.25	7.25 - 9.25	8.00 - 10.00	8.00 - 10.25
	S. CA: Los Angeles	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	7.75 - 9.00
	S.CA: Orange County	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	7.75 - 9.00
	S.FL: Fort Lauderdale	7.00 - 8.00	7.50 - 8.50	7.50 - 8.50	8.25 - 9.25	8.00 - 9.00	8.50 - 9.50	9.00 - 10.00	9.50 - 10.50
	S.FL: Miami	6.25 - 7.00	7.00 - 7.75	6.75 - 7.75	7.75 - 8.75	8.00 - 8.50	8.75 - 9.25	9.00 - 10.00	9.50 - 10.25
	S.FL: West Palm Beach	8.00 - 8.50	8.25 - 9.00	8.00 - 8.75	8.50 - 9.50	8.50 - 9.50	9.00 - 10.00	9.00 - 10.00	9.50 - 10.50
	San Diego	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	8.25 - 9.25
	Seattle	6.00 - 6.50	6.75 - 7.75	6.25 - 7.00	7.75 - 8.50	6.75 - 7.25	7.75 - 8.50	8.50 - 9.25	9.50 - 10.50
	Washington D.C.	4.50 - 6.00	6.00 - 7.50	6.00 - 7.00	6.50 - 8.50	6.50 - 7.50	7.50 - 9.00	7.00 - 8.00	8.50 - 9.50
Tier II	Atlanta	6.50 - 8.00	7.00 - 8.25	7.25 - 8.50	7.75 - 9.00	7.75 - 9.00	8.25 - 9.50	8.50 - 9.75	9.50 - 11.00
	Austin	6.50 - 8.00	7.00 - 8.25	7.25 - 8.50	7.75 - 9.00	7.75 - 9.00	8.25 - 9.50	8.50 - 9.75	9.50 - 11.00
	Baltimore	6.50 - 7.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.25 - 9.25	8.00 - 9.50	8.50 - 10.00
	Dallas/Fort Worth	7.50 - 8.50	7.50 - 8.50	7.75 - 8.75	7.75 - 8.75	7.50 - 8.25	7.75 - 9.00	8.00 - 10.00	8.50 - 11.00
	Denver	6.00 - 6.50	7.00 - 7.50	7.00 - 7.50	8.00 - 8.75	7.50 - 8.25	8.00 - 8.75	8.25 - 9.00	8.50 - 9.50
	Houston	7.55 - 8.50	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	8.50 - 10.75	9.00 - 10.75
	Las Vegas	7.00 - 8.00	7.25 - 8.25	7.75 - 8.75	7.75 - 8.75	8.00 - 9.50	8.00 - 9.50	9.00 - 10.25	9.00 - 10.25
	Minneapolis/St. Paul	7.25 - 8.25	7.50 - 8.25	7.25 - 8.50	8.25 - 9.75	7.75 - 8.75	8.50 - 10.00	8.25 - 10.25	9.25 - 10.75
	Nashville	7.50 - 8.00	7.75 - 8.00	7.75 - 8.25	8.25 - 9.50	7.75 - 8.50	8.75 - 9.50	9.75 - 10.50	10.00 - 10.75
	Orlando	6.00 - 7.50	6.50 - 7.75	6.75 - 8.00	7.00 - 8.50	8.00 - 8.75	8.25 - 9.00	9.25 - 10.00	9.25 - 10.00
	Philadelphia	6.00 - 6.50	6.50 - 7.00	6.50 - 8.25	7.75 - 8.50	7.50 - 8.50	7.75 - 8.50	8.75 - 9.25	10.00 - 10.50
	Phoenix	6.75 - 6.75	6.75 - 6.75	7.75 - 7.75	7.75 - 7.75	7.50 - 7.50	7.75 - 7.75	9.00 - 9.00	9.25 - 9.25
	Portland	7.25 - 8.25	8.25 - 8.50	7.50 - 8.25	8.25 - 8.50	7.75 - 8.75	8.25 - 9.25	9.00 - 9.75	9.50 - 10.50
	Tampa	6.25 - 7.50	6.50 - 7.75	7.00 - 8.25	7.25 - 8.50	8.00 - 9.00	8.25 - 9.00	9.25 - 10.00	9.25 - 10.00
Tier III	Albuquerque	7.25 - 8.25	7.75 - 8.50	7.75 - 9.00	8.25 - 9.25	8.25 - 9.00	8.25 - 9.25	9.25 - 10.50	9.25 - 10.50
	Charlotte	6.00 - 8.00	6.50 - 8.00	7.00 - 8.00	7.50 - 9.00	7.00 - 8.50	8.00 - 9.00	8.25 - 10.00	9.00 - 11.00
	Cincinnati	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Cleveland	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Columbus	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Detroit	8.00 - 8.50	8.00 - 8.75	8.25 - 9.00	9.25 - 10.25	8.25 - 9.00	8.50 - 9.50	10.00 - 11.00	10.75 - 11.75
	Honolulu	5.00 - 7.00	-	-	6.75 - 9.00	-	7.25 - 10.25	-	8.25 - 11.25
	Indianapolis	7.00 - 8.50	8.00 - 9.00	7.50 - 9.00	8.00 - 9.50	7.50 - 8.50	8.25 - 9.25	9.50 - 11.00	9.50 - 11.00
	Jacksonville	6.25 - 7.50	7.00 - 8.00	7.00 - 8.00	7.50 - 8.50	8.00 - 8.75	8.25 - 9.00	9.50 - 10.00	9.50 - 10.00
	Kansas City	7.50 - 8.50	8.00 - 8.75	8.00 - 9.25	8.25 - 9.50	7.75 - 8.75	8.00 - 9.00	9.00 - 11.00	9.25 - 11.50
	New Orleans	7.25 - 7.75	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	8.00 - 9.00	8.50 - 9.50
	Pittsburgh	8.00 - 9.00	8.00 - 9.00	8.25 - 9.50	8.50 - 9.75	8.00 - 9.25	8.25 - 9.50	9.50 - 11.50	9.75 - 11.50
	Oklahoma City	7.50 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Sacramento	7.50 - 9.00	-	8.00 - 9.00	9.00 - 10.00	7.50 - 8.50	7.50 - 8.50	8.50 - 10.00	8.50 - 10.00
	Salt Lake City	6.25 - 7.25	6.75 - 7.75	8.00 - 8.75	8.25 - 9.00	7.25 - 8.25	7.25 - 8.25	8.00 - 9.00	8.00 - 9.00
	San Antonio	-	-	7.00 - 8.00	7.50 - 8.50	7.00 8.00	7.50 9.00	7.50 10.00	8.00 11.00
	Saint Louis	7.50 - 9.50	7.50 - 9.50	7.50 - 10.50	8.00 - 10.50	8.00 - 10.50	8.00 - 10.25	8.50 - 10.50	8.75 - 10.50

Source: CBRE Cap Rate Survey H1 2019

JF Capital Advisors analyzed the implied 2019 net operating income (NOI) and capitalization rate for the below public hotel trading companies, based on various growth rates of 2.5 percent and 5.0 percent, displayed below.

Implied Cap Rates Based on Assumed Growth

		2019		2019 NOI [1]			2019 Implied Cap Rate [1]		
Company	Enterprise Value (billions)	NOI [2]	Cap Rate	0.0%	2.5%	5.0%	0.0%	2.5%	5.0%
Hotel REITs									
Host	14,810	1,301	8.8%	1,301	1,367	1,434	8.8%	9.2%	9.7%
Park	10,255	793	7.7%	793	833	874	7.7%	8.1%	8.5%
HPT	8,282	770	9.3%	770	809	849	9.3%	9.8%	10.3%
Ashford	4,904	358	7.3%	358	376	395	7.3%	7.7%	8.1%
Braemar	1,498	105	7.0%	105	110	116	7.0%	7.3%	7.7%
Ryman	5,918	417	7.0%	417	438	459	7.0%	7.4%	7.8%
Sunstone	3,609	276	7.6%	276	290	304	7.6%	8.0%	8.4%
DiamondRock	3,112	222	7.1%	222	233	245	7.1%	7.5%	7.9%
Hersha	2,306	153	6.6%	153	161	169	6.6%	7.0%	7.3%
Pebblebrook	6,381	411	6.4%	411	432	454	6.4%	6.8%	7.1%
RLJ	4,561	433	9.5%	433	455	477	9.5%	10.0%	10.5%
Summit	2,245	167	7.4%	167	175	184	7.4%	7.8%	8.2%
Chatham	1,434	117	8.2%	117	123	129	8.2%	8.6%	9.0%
Apple	5,096	381	7.5%	381	401	420	7.5%	7.9%	8.2%
Xenia	3,450	255	7.4%	255	268	281	7.4%	7.8%	8.1%
AHIP	922	64	6.9%	64	67	70	6.9%	7.3%	7.6%
Condor	275	21	7.6%	21	23	24	7.6%	8.4%	8.7%
Corepoint	1,580	122	7.7%	122	128	134	7.7%	8.1%	8.5%
Sotherly Hotels	533	35	6.6%	35	37	39	6.6%	6.9%	7.3%
Maximum			**9.5%**				**9.5%**	**10.0%**	**10.5%**
Weighted Average			**7.9%**				**7.9%**	**8.3%**	**8.7%**
Weighted Average Excl. Host			**7.7%**				**7.7%**	**8.1%**	**8.5%**
Minimum			**6.4%**				**6.4%**	**6.8%**	**7.1%**

Note: Does not add back corporate G&A which negatively affects EBITDA and NOI assumptions
Note: Includes JF Capital Advisors estimates
(1) Based on growing NOI at the annual growth rate listed
(2) Based on FF&E Reserve of 4.0 percent of revenue

Source: JF Capital Advisors September 2019

Historic Performances & Projections

According to Smith Travel Research (STR), record-breaking performance levels were recorded in 2018. Room demand growth outpaced supply, even though supply growth was the most robust in the industry since 2009. Increases in RevPAR were primarily driven by average daily rate growth over the past four years. The 2.9 percent RevPAR increase recorded in 2018 was the lowest growth rate for the country since the recession that began in December 2007.

Total U.S. Key Statistics							
	YE 2015	*YE 2016*	*YE 2017*	*YE 2018*	*2017/2018 % Change*	*2019 Forecast*	*2020 Forecast*
Room Supply	-	-	-	-	2.0%	-	-
Room Demand	-	-	-	-	2.5%	-	-
Occupancy	65.6%	65.5%	65.9%	66.2%	0.5%	66.3%	66.1%
Average Daily Rate	$120	$124	$127	$130	2.4%	$131.83	$133.70
RevPAR	$79	$81	$84	$86	2.9%	$87.41	$88.40
Source: Smith Travel Research/Tourism Economics							

STR and Tourism Economics downgraded their growth projections for the U.S. hotel industry in August after a previous downgrade in June. The companies had projected revenue per available room to grow 2.3 percent in 2019. In June, they downgraded 2019 growth expectations to 2 percent and 2020 percent growth to 1.9 percent. Now, they've reduced 2019 to 1.6 percent and 2020 to 1.1 percent. With occupancy flat, average daily rate has been the sole driver of any RevPAR increases. The following tables summarize the most recent historical and forecast data for occupancy, average daily rate and RevPAR on a national level by Smith Travel Research and Tourism Economics.

Total U.S. Outlook				
	2017 Actual	*2018 Actual*	*2019 Forecast*	*2020 Forecast*
Supply	1.8%	2.0%	1.9%	1.9%
Demand	2.7%	2.5%	2.1%	1.6%
Occupancy	0.9%	0.5%	0.2%	-0.2%
ADR	2.1%	2.4%	1.4%	1.4%
RevPAR	3.0%	2.9%	1.6%	1.1%
Source: Smith Travel Research				

The following table summarizes 2019 and 2020 occupancy, average daily rate and RevPAR forecasts by chain segment estimated by PwC.

Total U.S. Chain Scale Outlook						
	2019 Forecast			*2020 Forecast*		
Chain Scale	*Occupancy*	*ADR*	*RevPAR*	*Occupancy*	*ADR*	*RevPAR*
Luxury	-2.0%	2.3%	0.2%	-0.1%	2.0%	1.9%
Upper Upscale	-0.9%	1.8%	0.9%	-0.4%	1.2%	0.8%
Upscale	-1.2%	0.8%	-0.4%	-0.3%	0.7%	0.4%
Upper Midscale	0.0%	0.4%	0.5%	0.0%	0.4%	0.4%
Midscale	-0.1%	0.2%	0.1%	0.0%	0.2%	0.2%
Economy	1.5%	0.4%	1.9%	0.0%	0.9%	0.8%
Independent	0.3%	1.5%	1.8%	0.0%	1.1%	1.1%
Source: PwC Hospitality Directions US Lodging Outlook (August 2019) / based on STR data Compiled by LW Hospitality Advisors®						

**Percentage Change From Prior Year*

In 2020, ADR growth is expected to continue to control top line improvement, as increases in room rates are expected to drive all growth in RevPAR.

New Supply

Smith Travel Research reported at the 2019 Lodging Conference that approximately 207,000 rooms were under construction nationally as of August 2019, representing a 10.1% percent increase over levels reported in August 2018. Under construction totals were noted to be only 4,000 rooms off of the 2007/2008 peak.

Total U.S. Active Development Pipeline			
Phase	***2019***	***2018***	***% Change***
In Construction	207	188	10.4%
Final Planning	238	215	10.6%
Planning	216	203	5.9%
Under Contract	661	606	9.0%
Source: Smith Travel Research			
Compiled by LW Hospitality Advisors®			

**Total U.S. Pipeline, by Phase, '000s Rooms, August 2019 and 2018*

The following chart ranks top US markets by rooms under construction as a percentage of existing room supply.

Largest % of Rooms In Construction		
Market	***Rooms In Construction***	***% of Existing***
Nashville, TN	5,572	12%
New York, NY	14,437	11%
Minneapolis/St Paul, MN-WI	3,482	8%
Tampa/St Petersburg, FL	3,137	7%
Boston, MA	3,826	6%
Dallas, TX	5,913	6%
Los Angeles/Long Beach, CA	6,130	6%
Philadelphia, PA-NJ	2,866	6%
Phoenix, AZ	3,964	6%
Orlando, FL	7,099	6%
Source: Smith Travel Research		
Compiled by LW Hospitality Advisors®		

**Rooms In Construction and as % of Existing Supply, Largest % In Top 26 Markets, Aug 2019*

Conclusion

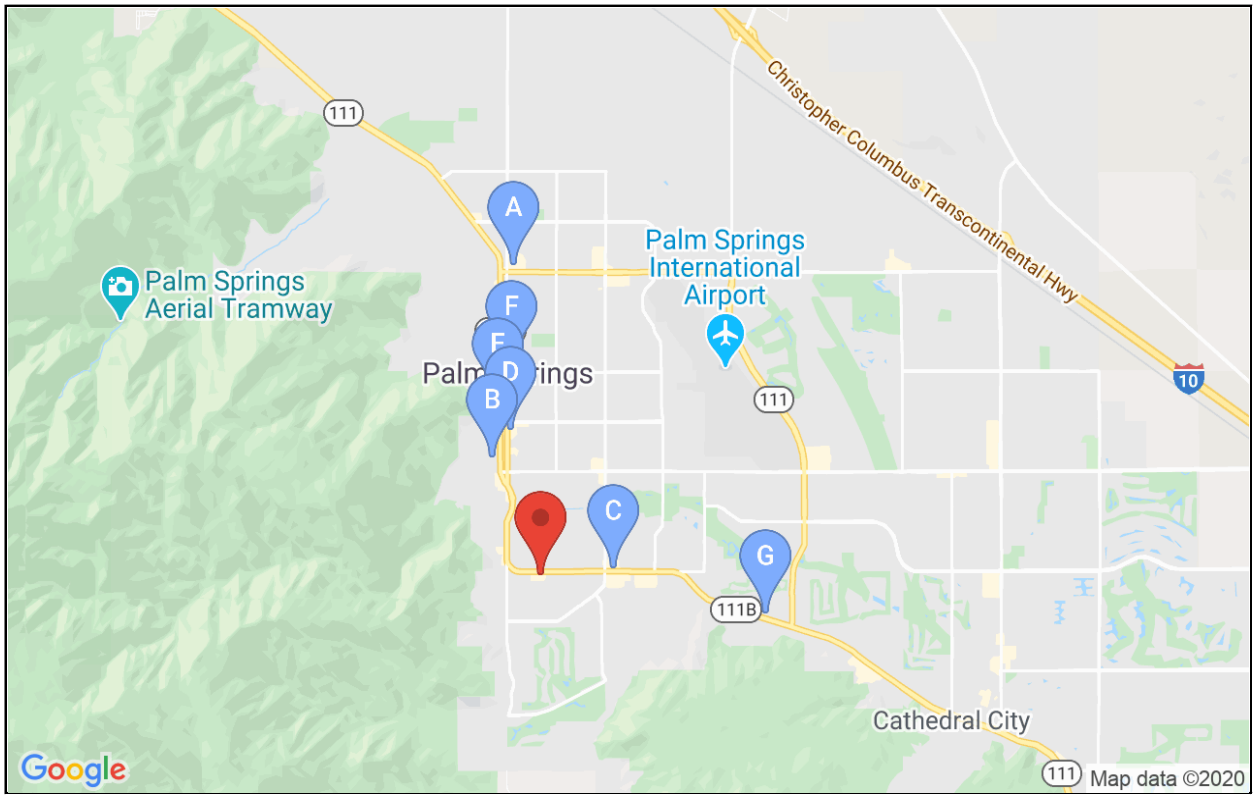
America's hotel sector has been operating at peak levels for the past three years as an expanding economy has readily absorbed accelerated supply growth in most markets. U.S. lodging supply and demand growth are expected to moderate, resulting in a very slight decline in occupancy. Therefore, while the economy continues to support revenue growth, the ability to achieve greater profits will be challenged. Hotel operators will need to keep expense growth under control as increases in room rates are the only hope to drive RevPAR growth in the near-term future. Current political/economic uncertainty and speculation of a recession will remain as a top concern for many market participants however current forecasts project that recent trends of relative stability will continue over the near-term future.

Competitive Lodging Market Analysis

In consideration of the subject hotel's location, full service product type, market orientation, and rate positioning, the subject property competes predominately with other full service resort hotels in the immediate Palm Springs market.

We recognize that there are various other lodging facilities in the area which may compete with the subject to a nominal degree. However, for the most part, the other nearby hotels are lower quality, limited service properties such as the Motel 6, Vagabond Inn, and Knights Inn. These properties do not contain the same amenities as the subject or attract the same clientele that would choose the subject property or the majority of the competitive set of hotels. Further, the competitive set chosen is consistent with management of the subject hotel.

The primary competitive set for the subject hotel consists of seven hotels, which range in size from 56 to 398 rooms, and collectively contain an aggregate of 1,269 rooms. The following tables present summary information on the competitive set. This information was assembled from market interviews, property inspections, and lodging directories. Market segmentation reflects the estimated share of room nights in each of the market segments: commercial, meeting & group, and leisure.



A) Tribute Portfolio The Riviera Palm Springs
B) Avalon Hotel Palm Springs
C) The Saguaro Palm Springs
D) Hard Zoso
E) Hyatt Palm Springs
F) Colony Palms Hotel
G) Parker Palm Springs

Comp Profile				Segmentation			Amenities						
Hotel	Location	Year Built	No. of Rooms	Commercial	Meeting & Group	Leisure	Total Meeting Space (Sq. Ft.)	Meeting Space per Room (Sq. Ft.)	Restaurant	Lounge	Indoor Pool	Outdoor Pool	Fitness Center
Ace Hotel & Swim Club Palm Springs - Palm Springs	**701 East Palm Canyon Drive, Palm Springs, CA**	**1965**	**179**	**5%**	**15%**	**80%**	**7,196**	**40.2**	**X**	**X**		**X**	**X**
Tribute Portfolio The Riviera Palm Springs	1600 N. Indian Canyon Drive, Palm Springs, CA	1959	398	20%	30%	50%	45,000	113.1	X	X		X	X
Avalon Hotel Palm Springs	415 S Belardo Rd, Palm Springs, CA	1929	67	0%	40%	60%	1,664	24.8	X	X		X	X
The Saguaro Palm Springs	1800 E Palm Canyon Dr, Palm Springs, CA	1977	244	5%	20%	75%	10,000	41.0	X	X		X	X
Hard Zoso	150 South Indian Canyon Drive, Palm Springs, CA	1987	163	15%	30%	55%	30,000	184.0	X	X		X	X
Hyatt Palm Springs	285 N Palm Canyon , Palm Springs, CA	1985	197	15%	30%	55%	12,000	60.9	X	X		X	X
Colony Palms Hotel	572 North Indian Canyon Drive, Palm Springs, CA	1930	56	0%	35%	65%	450	8.0	X	X		X	X
Parker Palm Springs	4200 East Palm Canyon Drive, Palm Springs, CA	1959	144	0%	45%	55%	11,000	76.4	X	X	X	X	X
Totals & Averages			1,448	11%	29%	61%	117,310	81.0					

Property Information				Estimated 2018			Estimated 2019		
Hotel	No. of Rooms	Percent Competitive	Competitive Rooms	Occupancy	Average Rate	RevPAR	Occupancy	Average Rate	Rev PAR
Ace Hotel & Swim Club Palm Springs - Palm Springs	**179**	**100%**	**179**	**66.9%**	**$237.17**	**$158.71**	**68.9%**	**$233.67**	**$161.03**
Tribute Portfolio The Riviera Palm Springs	398	100%	398	55% - 60%	$150 - $155	$85 - $90	55% - 60%	$150 - $155	$85 - $90
Avalon Hotel Palm Springs	67	100%	67	60% - 65%	$300 - $305	$180 - $185	65% - 70%	$300 - $305	$195 - $200
The Saguaro Palm Springs	244	100%	244	50% - 55%	$170 - $175	$85 - $90	50% - 55%	$170 - $175	$85 - $90
Hard Zoso	163	100%	163	50% - 55%	$165 - $170	$85 - $90	45% - 50%	$155 - $160	$75 - $80
Hyatt Palm Springs	197	100%	197	70% - 75%	$175 - $180	$120 - $125	65% - 70%	$175 - $180	$120 - $125
Colony Palms Hotel	56	100%	56	65% - 70%	$260 - $265	$170 - $175	65% - 70%	$260 - $265	$170 - $175
Parker Palm Springs	144	100%	144	70% - 75%	$400 - $405	$280 - $285	65% - 70%	$400 - $405	$270 - $275
Totals and Averages	1,448		1,448	60.60%	$211.63	$128.24	59.97%	$210.92	$126.49

Property Information				Estimated 2018			Estimated 2019		
Hotel	No. of Rooms	Percent Competitive	Competitive Rooms	Occupancy Penetration	ADR Penetration	RevPAR Penetration	Occupancy Penetration	ADR Penetration	RevPAR Penetration
Ace Hotel & Swim Club Palm Springs - Palm Springs	**179**	**100%**	**179**	**110%**	**112%**	**124%**	**115%**	**111%**	**127%**
Tribute Portfolio The Riviera Palm Springs	398	100%	398	91% - 99%	72% - 74%	66% - 70%	92% - 100%	72% - 74%	67% - 71%
Avalon Hotel Palm Springs	67	100%	67	99% - 107%	141% - 143%	140% - 144%	108% - 117%	141% - 143%	154% - 158%
The Saguaro Palm Springs	244	100%	244	83% - 91%	79% - 82%	66% - 70%	83% - 92%	79% - 82%	67% - 71%
Hard Zoso	163	100%	163	83% - 91%	77% - 80%	66% - 70%	75% - 83%	73% - 75%	59% - 63%
Hyatt Palm Springs	197	100%	197	116% - 124%	82% - 84%	94% - 97%	108% - 117%	83% - 85%	95% - 99%
Colony Palms Hotel	56	100%	56	107% - 116%	122% - 124%	133% - 136%	108% - 117%	122% - 124%	134% - 138%
Parker Palm Springs	144	100%	144	116% - 124%	188% - 190%	218% - 222%	108% - 117%	188% - 191%	213% - 217%
Totals and Averages	1,448		1,448	100%	100%	100%	100%	100%	100%

Tribute Portfolio The Riviera Palm Springs

1600 N. Indian Canyon Drive, Palm Springs, CA



Property Information	
Number of Rooms:	398
Year Opened:	1959
Meeting Space:	45,000 Square Feet
Distance From Subject:	3.5 miles
2019 Occupancy | ADR:	55% - 60% | $150 - $155
Parent Company:	Marriott

Amenities	
Restaurant	Lounge
Outdoor Pool	Fitness Center

- Renovated in 2016
- The hotel has a storied past with Hollywood celebrities
- The property sits on 21 acres in downtown Palm Springs

Avalon Hotel Palm Springs

415 S Belardo Rd, Palm Springs, CA



Property Information	
Number of Rooms:	67
Year Opened:	1929
Meeting Space:	1,664 Square Feet
Distance From Subject:	1.5 miles
2019 Occupancy | ADR:	65% - 70% | $300 - $305
Parent Company:	N/A

Amenities	
Restaurant	Lounge
Outdoor Pool	Fitness Center

- The hotel has three pools
- Was previously the Viceroy Hotel
- The hotels was originally built as the Estrella Inn in 1929

The Saguaro Palm Springs

1800 E Palm Canyon Dr, Palm Springs, CA



Property Information	
Number of Rooms:	244
Year Opened:	1977
Meeting Space:	10,000 Square Feet
Distance From Subject:	1 mile
2019 Occupancy | ADR:	50% - 55% | $170 - $175
Parent Company:	N/A

Amenities	
Restaurant	Lounge
Outdoor Pool	Fitness Center

- Owned/developed by the Sydell Group
- Closest competitor to subject

Hard Zoso

150 South Indian Canyon Drive, Palm Springs, CA



Property Information	
Number of Rooms:	163
Year Opened:	1987
Meeting Space:	30,000 Square Feet
Distance From Subject:	2 miles
2019 Occupancy | ADR:	45% - 50% | $155 - $160
Parent Company:	Independent

Amenities	
Restaurant	Lounge
Outdoor Pool	Fitness Center

- Recently renovated
- Previously was Hotel Zoso, then Hard Rock Hotel, now known as the Hotel Zoso again
- Recent results have been negatively impacted by financial difficulties and ongoing renovations

Hyatt Palm Springs

285 N Palm Canyon , Palm Springs, CA



Property Information	
Number of Rooms:	197
Year Opened:	1985
Meeting Space:	12,000 Square Feet
Distance From Subject:	2 miles
2019 Occupancy | ADR:	65% - 70% | $175 - $180
Parent Company:	N/A

Amenities	
Restaurant	Lounge
Outdoor Pool	Fitness Center

- Located in the heart of downtown Palm Springs
- All rooms are suites
- In need of updating/renovation

Colony Palms Hotel

572 North Indian Canyon Drive, Palm Springs, CA



Property Information	
Number of Rooms:	56
Year Opened:	1930
Meeting Space:	450 Square Feet
Distance From Subject:	2.5 miles
2019 Occupancy | ADR:	65% - 70% | $260 - $265
Parent Company:	N/A

Amenities	
Restaurant	Lounge
Outdoor Pool	Fitness Center

- Downtown location
- Rooms in need of updating
- Property sold in 2015 for $430,000 per room

Parker Palm Springs

4200 East Palm Canyon Drive, Palm Springs, CA



Property Information

Number of Rooms:	144
Year Opened:	1959
Meeting Space:	11,000 Square Feet
Distance From Subject:	2.5 miles
2019 Occupancy | ADR:	65% - 70% | $400 - $405
Parent Company:	Independent

Amenities

Restaurant	Lounge
Indoor Pool	Outdoor Pool
Fitness Center	

- This property currently has the highest RevPAR in the competitive set
- Last renovated in 2017
- Was previously affiliated with the Le Meridien brand
- Extensive grounds and privacy attract Hollywood celebrities

Occupancy & Average Daily Rate Projections

Historical Supply and Demand Analysis

The STR charts below contain data attributed to the competitive set. As shown, demand growth has varied over the past five years. The late 2017 addition of the 153-room Kimpton Rowan hotel impacted demand and occupancy in the competitive set (though the property is not included in the STR report). Calendar year occupancy for the aggregate set has varied from 58.0 percent in 2015 to 59.5 percent in 2019, resulting in a compound annual decline of 0.2 percent. ADR growth has been more impressive, showing consistent growth, increasing from $192 in 2015 to $211 in 2019. This represents a 2.4 percent compound average annual increase over the five-year period. The resulting RevPAR grew 2.2 percent annually during the same period. Going forward, we anticipate market occupancy levels to stabilize in line with recent historical figures and ADR to exhibit moderate growth as the economy continues to expand.

STR Annual Report Trend Table (YTD)

Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2015	1,448	0.00%	306,496	-3.38%	58.0%	-3.38%	$192.18	2.19%	$111.45	-1.26%
2016	1,448	0.00%	312,502	1.96%	59.0%	1.68%	$199.24	3.67%	$117.48	5.41%
2017	1,448	0.00%	322,075	3.06%	60.9%	3.35%	$202.01	1.39%	$123.10	4.78%
2018	1,448	0.00%	320,724	-0.42%	60.7%	-0.42%	$211.11	4.50%	$128.11	4.06%
2019	1,448	0.00%	314,573	-1.92%	59.5%	-1.92%	$211.39	0.13%	$125.82	-1.79%
	CAGR	***0.00%***		***-0.17%***		***-0.17%***		***2.37%***		***2.19%***

STR Monthly Report Table

Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-19	59.6%	10.1%	$189.61	2.1%	$112.92	12.4%
Feb-19	68.9%	2.0%	$233.11	4.6%	$160.60	6.7%
Mar-19	86.5%	2.8%	$255.10	9.4%	$220.63	12.5%
Apr-19	73.7%	-5.9%	$305.49	9.0%	$225.01	2.6%
May-19	64.5%	5.1%	$212.79	3.8%	$137.25	9.1%
Jun-19	53.1%	-4.8%	$167.94	3.9%	$89.20	-1.1%
Jul-19	47.1%	-11.4%	$144.78	-2.4%	$68.22	-13.5%
Aug-19	45.4%	-3.3%	$149.69	0.4%	$67.98	-3.0%
Sep-19	51.3%	-5.1%	$172.10	-0.8%	$88.31	-5.9%
Oct-19	56.4%	-0.8%	$196.83	-0.2%	$111.11	-0.9%
Nov-19	61.7%	4.8%	$213.56	4.1%	$131.79	9.2%
Dec-19	56.3%	9.1%	$195.95	-2.3%	$110.37	6.6%

STR Day of Week Occupancy

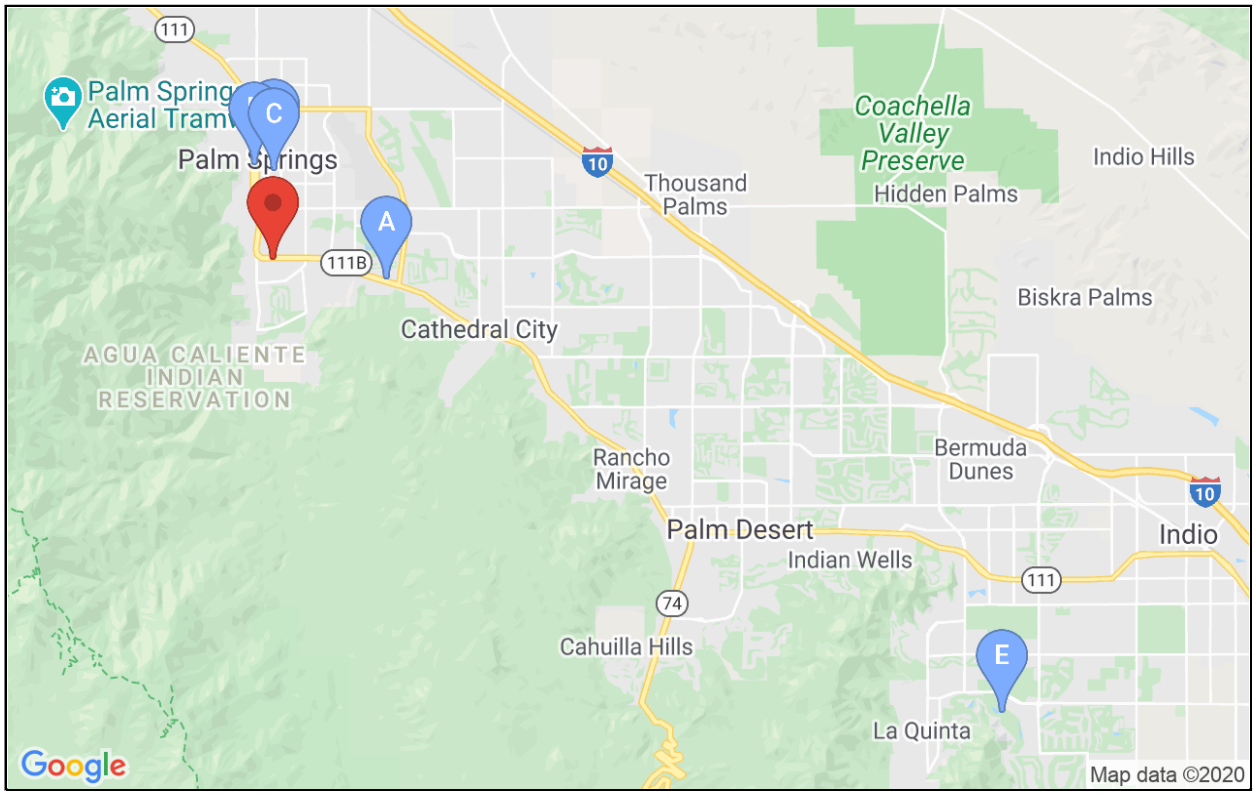
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Average:	57.2%	45.1%	46.0%	48.3%	55.9%	78.2%	87.3%	59.7%

Proposed Supply

Upon discussions with various city officials and local hotel operators, there are five hotels either proposed or under construction in the area that may present some level of competition to the subject property.

Competitive New Supply					
Name	Address	Number of Rooms	Distance (Miles)	Percent Competitive	Opening Date
Parker Hotel Addition	4200 East Palm Canyon Drive	31	2.5	100%	Mar-21
Hyatt Andaz	400 North Palm Canyon Drive	150	2.5	75%	Oct-20
Dream Palm Springs	620 East Amado Road	155	2.7	75%	Jul-21
Marriott Autograph	450 N Calle Alvarado	104	2.9	50%	Jan-22
Proposed Pendry Resort	79`79 Ahmanson Lane, La Quinta, CA	200	20.5	25%	Jan-21

Competitive New Supply Phase-In					
	2020	**2021**	**2022**	**2023**	**2024**
Parker Hotel Addition	0	26	31	31	31
Hyatt Andaz	28	113	113	113	113
Dream Palm Springs	0	58	116	116	116
Marriott Autograph	0	0	52	52	52
Proposed Pendry Resort	0	50	50	50	50
Total	**28**	**247**	**362**	**362**	**362**



A) Parker Hotel Addition
B) Hyatt Andaz
C) Dream Palm Springs
D) Marriott Autograph
E) Proposed Pendry Resort

The Parker Palm Springs is adding 31 rooms. The rooms are expected to come online by early 2021.

The 154-room Kimpton Rowan hotel opened in early 2018 and is part of a 14-acre, $400 million redevelopment site in front of the Palm Springs Art Museum. It marks the first large, full-service hotel to be built in downtown Palm Springs in decades, and has been embraced by the region's tourism industry

for providing numerous, new high-quality rooms near the Palm Springs Convention Center. This property is not in the subject's STR competitive set but it has had some temporary negative impact on the subject market. The redevelopment project may also eventually include a 142-room Virgin Hotel, though the timing and completion of this hotel is currently uncertain.

A 150-room Hyatt Andaz is being developed on the northern edge of downtown Palm Springs. Amenities will include two outdoor pools, fitness center, business center, restaurant/lounge, sundry shop, spa, and approximately 5,937 square feet of meeting space. The property will also offer 30,114 square feet of retail space along Palm Canyon Drive and have garage/surface parking for 246 automobiles. This project is expected to open in the Fall of 2020 though is currently on hold. Given its location and proposed pricing, this project is considered a to be 75% competitive with the subject.

A 155-room Dream hotel is also under construction just north of the Convention Center. The property is currently on hold but is slated to open on July 1, 2021 and contain approximately 340,620 square feet of gross building area. Amenities will include two restaurants, three bars, two lounges, two outdoor pools, a fitness center, a co-working space, two retail spaces, and approximately 5,985 square feet of dedicated meeting space. Given its downtown Palm Springs, convention center location, and higher projected ADR this project is considered to be only 75% competitive with the subject.

The former Garden Vista Hotel, at 1875 N. Palm Canyon Drive is being converted to the Tova Hotel and Beach Club to be affiliated with Marriott's Autograph Collection. The hotel will be complete with a new 200-seat restaurant, fitness club and spa. All 104 guest rooms will be gutted and renovated, and new construction will involve building a 3,700-square-foot building to house the fitness room, restrooms and storage. And another 15,200-square-foot building will house the restaurant. Completion is scheduled for early 2022. Given its location this project is considered to be 50% competitive with the subject.

Finally, a 200-room Pendry resort hotel is proposed in La Quinta, approximately 20 miles south of the subject. Given its location and market orientation, this property is expected to be only partially competitive with the subject. A Luxury Montage hotel is also proposed as part of this project. The Montage is not considered to be competitive with the subject given its very high-end luxury orientation.

We recognize the potential impact from other proposed supply additions to the greater Coachella Valley market. While these new supply additions are not anticipated to compete directly with the subject property, they have been considered in our occupancy and ADR projections for the subject.

Demand Analysis

The following section summarizes our analysis and projection of demand in each of the market segments: commercial, meeting & group, and leisure.

Commercial Demand arises from individuals who are conducting business and visiting various firms in the subject's market area. Commercial/corporate demand is strongest Monday through Thursday nights, declining significantly on Friday and Saturday, and increasing somewhat on Sunday. Commercial/corporate travelers' typical length of stay ranges from one to three days, and this demand is relatively constant throughout the year, although some declines are noticeable in late December and during other holiday periods.

Commercial demand in the market is limited given high amount of leisure demand in the area. However, the subject market still accommodates corporate demand from the regional offices in the Palm Springs area, as well as the Desert Regional Medical Center and other medical facilities.

Given the subject market conditions, we projected commercial demand to increase by 1.0 percent in 2020, 1.0 percent in 2021, and 1.0 percent in 2022.

Meeting & Group Demand includes groups who reserve blocks of rooms for meetings, seminars, trade association shows, and other similar gatherings of ten or more persons. Group meetings and convention demand is typically strongest during the spring and fall months, while the summer months represent the slowest period for this market segment, and the winter demand varies. Meeting and group travelers typically achieve an average length of stay of three to five days. Historically, most corporate groups met on weekdays and social groups used the weekend periods. However, in the recent past the corporate group booking trends have changed to include some or all of the weekend. Many corporate groups, as a cost containment measure have been utilizing weekend meetings, which usually result in lower airfares and hotel room rates, especially in non-resort markets.

We have included a segment known as MICE (Meetings, Incentives, Conferencing and Exhibitions) as well as SMERF (Social, Military, Educational, Religious, and Fraternal). Room nights from the MICE group consist of groups associated with corporate meetings, conferences and events, as well as incentive travel. Room nights from the SMERF group usually consist of groups such as youth athletic teams and church groups, among a variety of others. Consistent with most group bookings, the SMERF group usually garners a lower room night rate, but offsets rate loss with greater occupancy levels.

In the subject market, the majority of group business is derived from the MICE segment as consequence of the resort location and amenities. The subject market also benefits from business from religious groups, tour & travel, educational, weddings, and youth sport teams. The surrounding area is a popular tour group destination given its proximity to such attractions as the various desert hot springs, casinos and major music festivals, such as the Coachella Valley Music and Arts Festival, Stagecoach County Music Festival, and the most recent addition, Desert Trip.

Given the subject market conditions, we projected meeting & group demand to increase by 2.0 percent in 2020, 2.0 percent in 2021, and 3.0 percent in 2022.

Leisure Demand consists of individual tourists and families visiting the attractions of a local market and/or passing through en-route to other destinations. Leisure demand is strongest Friday and Saturday nights, holiday periods and the summer months. These peak periods generally are negatively correlated with commercial and meeting & group demand. The spring is also a prime period for weddings and other social activities.

Leisure demand levels tend to vary based on the overall economy, due to changes in levels of disposable income, coupled with the strength or weakness of the U.S. dollar, as a strong dollar promotes domestic travel whereas a weak dollar promotes international travel to the United States.

Leisure demand is drawn by family and friends in the immediate area, visiting relatives, youth sports and other related travel, as well as local weddings, family reunions and other social events. Additionally, demand in generated by motorists traveling via the surrounding major thoroughfares. The Coachella

Valley is popular with tourists attracted by the mild winter weather, variety of outdoor adventure, arts and culture, gaming and entertainment. Biking, golf, hiking, horseback riding, swimming, and tennis in the nearby desert and mountain areas are major forms of recreation in the Greater Palm Springs area. There are more golf courses in the Palm Springs area than any other region in California. In addition, many cultural events, such as the Palm Springs International Film Festival, Modernism Week, Coachella Music and Arts Festival, Stagecoach Country Music Festival, and Desert Trip, among others, create strong leisure demand for the area.

Given the subject market conditions, we projected leisure demand to increase by 2.0 percent in 2020, 2.0 percent in 2021, and 2.0 percent in 2022.

Area Wide Demand Projections

The projection of area-wide occupancy is derived from the relationship between estimated future room night demand and future guestroom supply. Annual growth rates for each market segment are applied to the estimated current year-end area-wide room night demand for each market segment to arrive at a projection of area-wide annual lodging demand as set forth in the table on the following page. As mentioned previously, based on our analysis of the local market for transient accommodations for the current year, we projected varying growth rates in each of the market demand segments over the course of our projection.

Annual Demand Growth Rate			
	1	2	3
Segment	2020	2021	2022
Commercial	1.0%	1.0%	1.0%
Meeting & Group	2.0%	2.0%	3.0%
Leisure	2.0%	2.0%	2.0%

Latent Demand accounts for guests who could not be accommodated by the existing competitive supply for a variety of reasons. Because the local market demand estimate is based on hotel occupancies, it considers only those hotel rooms that were utilized by guests. Latent demand can be divided into displaced demand and induced demand.

Displaced Demand occurs when individuals are unable to rent a room because the marketplace's hotels are filled to capacity. As a result, individuals must defer their trips or make accommodations in other markets. Displaced demand is illustrated further in markets where there are distinct high and low seasons, or several periods of high and low occupancy throughout the year. The table below shows trailing twelve month day of week occupancy:

STR Day of Week Occupancy								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Average:	57.2%	45.1%	46.0%	48.3%	55.9%	78.2%	87.3%	59.7%

Clearly displaced demand exists in the subject market given that the heightened occupancy levels many weekends. Overall, we estimated 25 percent of the new supply's demand to be previously displaced demand.

Induced Demand is additional demand created by the existence of a new demand generator or the addition to the competitive supply of new lodging properties. The demand generators typically feature

specialized facilities designed to cater to a particular segment and attract demand that previously did not exist in the area or increase the attraction of that demand. We projected induced demand in our analysis given the addition of new supply in the market.

The following tables summarize our projection of area-wide room night demand, supply, and occupancy rates.

Projected Segmented Demand

Projected Segmented Demand												
Segment	Base Year	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Commercial												
Annual Growth		1.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	89.8	90.7	91.6	92.5	92.5	92.5	92.5	92.5	92.5	92.5	92.5	92.5
Annual Room Nights	32,781	33,200	33,440	33,775	33,775	33,867	33,775	33,775	33,775	33,867	33,775	33,775
Displaced Demand		128	897	1,422	1,422	1,426	1,422	1,422	1,422	1,426	1,422	1,422
Induced Demand		100	734	1,195	1,195	1,198	1,195	1,195	1,195	1,198	1,195	1,195
New Supply		512	3,590	5,687	5,689	5,705	5,689	5,689	5,689	5,705	5,689	5,689
Total Segment Demand	32,781	33,428	35,071	36,391	36,392	36,492	36,392	36,392	36,392	36,492	36,392	36,392
Meeting & Group												
Annual Growth		2.0%	2.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	250.2	255.2	260.3	268.1	268.1	268.1	268.1	268.1	268.1	268.1	268.1	268.1
Annual Room Nights	91,328	93,410	95,017	97,868	97,868	98,136	97,868	97,868	97,868	98,136	97,868	97,868
Displaced Demand		768	7,775	11,482	11,485	11,516	11,485	11,485	11,485	11,516	11,485	11,485
Induced Demand		599	6,462	9,792	9,795	9,821	9,795	9,795	9,795	9,821	9,795	9,795
New Supply		3,071	31,098	45,927	45,940	46,066	45,940	45,940	45,940	46,066	45,940	45,940
Total Segment Demand	91,328	94,776	109,254	119,142	119,148	119,474	119,148	119,148	119,148	119,474	119,148	119,148
Leisure												
Annual Growth		2.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	528.4	538.9	549.7	560.7	560.7	560.7	560.7	560.7	560.7	560.7	560.7	560.7
Annual Room Nights	192,849	197,245	200,640	204,653	204,653	205,214	204,653	204,653	204,653	205,214	204,653	204,653
Displaced Demand		1,664	13,826	20,093	20,102	20,157	20,102	20,102	20,102	20,157	20,102	20,102
Induced Demand		1,298	11,194	16,627	16,635	16,680	16,635	16,635	16,635	16,680	16,635	16,635
New Supply		6,654	55,303	80,373	80,410	80,630	80,410	80,410	80,410	80,630	80,410	80,410
Total Segment Demand	192,849	200,206	225,660	241,373	241,390	242,051	241,390	241,390	241,390	242,051	241,390	241,390

	Base Year	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Projected Segmented Demand Totals												
Commercial	32,781	33,428	35,071	36,391	36,392	36,492	36,392	36,392	36,392	36,492	36,392	36,392
Meeting & Group	91,328	94,776	109,254	119,142	119,148	119,474	119,148	119,148	119,148	119,474	119,148	119,148
Leisure	192,849	200,206	225,660	241,373	241,390	242,051	241,390	241,390	241,390	242,051	241,390	241,390
Total Market Demand	316,958	328,410	369,986	396,906	396,929	398,017	396,929	396,929	396,929	398,017	396,929	396,929
% Change		3.6%	12.7%	7.3%	0.0%	0.3%	-0.3%	0.0%	0.0%	0.3%	-0.3%	0.0%
Market Statistics												
Existing Rooms Supply	1,448	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
Proposed Rooms Supply	0	28	247	362	362	362	362	362	362	362	362	362
Total Available Room Nights	528,520	540,816	619,241	661,237	661,289	663,101	661,289	661,289	661,289	663,101	661,289	661,289
Market-Wide Occupancy	60.0%	60.7%	59.7%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%

Projected Occupancy and Average Daily Rate

A hotel's ability to generate room revenue is determined by two operating statistics: annual occupancy rate and average daily room rate. In most markets, a room night analysis may be performed to quantify and forecast room night demand. The occupancy of a given hotel may be projected based on its relative competitiveness with other hotels and its penetration through the market. Individual lodging facilities may operate above or below the area-wide occupancy or average rate, depending upon the particular attributes of the property.

Review of Historical Operating Performance

The below table summarizes the subject's occupancy, average daily rate, and revenue per available room over the past five full operating years.

Subject Historical Operating Metrics						
Year	Occ. %	%	ADR	%	RevPAR	%
2015	59.24%	0.0%	$205.86	0.0%	$121.96	0.0%
2016	62.16%	4.9%	$219.90	6.8%	$136.68	12.1%
2017	66.70%	7.3%	$225.17	2.4%	$150.17	9.9%
2018	66.92%	0.3%	$237.17	5.3%	$158.71	5.7%
2019	68.91%	3.0%	$233.67	-1.5%	$161.03	1.5%

As shown, the subject's RevPAR have grown consistently over the past five years. This has been achieved primarily through increases in ADR. Occupancy has varied somewhat, though the subject consistently outperforms the competitive set. 2019 results show a 1.5 percent increase in RevPAR, though occupancy slipped by 1.5 percent. The slightly lower occupancy is likely a result of the Kimpton Rowan entering the market. Additional increases in ADR should be achievable with the recent completion of the renovations and the new supply being absorbed into the market.

Penetration Factor Analysis

The projected market share of the subject property is based on a penetration factor analysis. As previously stated, a penetration factor is the ratio between a property's market share and its fair share. Penetration factors were used to project the subject property's ability to capture room night demand. A hotel's fair share of lodging demand is equal to its number of rooms divided by the total competitive supply of rooms. If the subject property were to capture its fair share of the room night demand, it would penetrate the market by 100 percent. A penetration factor above or below 100 percent indicates a hotel's greater or lesser ability to compete in the marketplace.

The following tables illustrate the estimated 2018 penetration factors by market segment for the subject property and its competitors.

Commercial							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
Ace Hotel & Swim Club Palm Springs - Palm Springs,	179	12.36%	68.91%	5.00%	2,251	6.87%	55.55%
Tribute Portfolio The Riviera Palm Springs	398	27.49%	55% - 60%	20.00%	15,980 - 17,432	48.7% - 53.2%	177% - 193%
Avalon Hotel Palm Springs	67	4.63%	65% - 70%	0.00%	00 - 00	0.0% - 0.0%	00% - 00%
The Saguaro Palm Springs	244	16.85%	50% - 55%	5.00%	2,227 - 2,449	6.8% - 7.5%	40% - 44%
Hard Zoso	163	11.26%	45% - 50%	15.00%	4,016 - 4,462	12.3% - 13.6%	109% - 121%
Hyatt Palm Springs	197	13.60%	65% - 70%	15.00%	7,011 - 7,550	21.4% - 23.0%	157% - 169%
Colony Palms Hotel	56	3.87%	65% - 70%	0.00%	00 - 00	0.0% - 0.0%	00% - 00%
Parker Palm Springs	144	9.94%	65% - 70%	0.00%	00 - 00	0.0% - 0.0%	00% - 00%
Total	1,448	100.00%	59.97%	10.34%	32,781	100.00%	

Meeting & Group							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
Ace Hotel & Swim Club Palm Springs - Palm Springs,	179	12.36%	68.91%	15.00%	6,754	7.40%	59.82%
Tribute Portfolio The Riviera Palm Springs	398	27.49%	55% - 60%	30.00%	23,970 - 26,149	26.2% - 28.6%	95% - 104%
Avalon Hotel Palm Springs	67	4.63%	65% - 70%	40.00%	6,358 - 6,847	7.0% - 7.5%	150% - 162%
The Saguaro Palm Springs	244	16.85%	50% - 55%	20.00%	8,906 - 9,797	9.8% - 10.7%	58% - 64%
Hard Zoso	163	11.26%	45% - 50%	30.00%	8,032 - 8,924	8.8% - 9.8%	78% - 87%
Hyatt Palm Springs	197	13.60%	65% - 70%	30.00%	14,021 - 15,100	15.4% - 16.5%	113% - 122%
Colony Palms Hotel	56	3.87%	65% - 70%	35.00%	4,650 - 5,008	5.1% - 5.5%	132% - 142%
Parker Palm Springs	144	9.94%	65% - 70%	45.00%	15,374 - 16,556	16.8% - 18.1%	169% - 182%
Total	1,448	100.00%	59.97%	28.81%	91,328	100.00%	

Leisure							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
Ace Hotel & Swim Club Palm Springs - Palm Springs,	179	12.36%	68.91%	80.00%	36,020	18.68%	151.09%
Tribute Portfolio The Riviera Palm Springs	398	27.49%	55% - 60%	50.00%	39,949 - 43,581	20.7% - 22.6%	75% - 82%
Avalon Hotel Palm Springs	67	4.63%	65% - 70%	60.00%	9,537 - 10,271	4.9% - 5.3%	107% - 115%
The Saguaro Palm Springs	244	16.85%	50% - 55%	75.00%	33,398 - 36,737	17.3% - 19.0%	103% - 113%
Hard Zoso	163	11.26%	45% - 50%	55.00%	14,725 - 16,361	7.6% - 8.5%	68% - 75%
Hyatt Palm Springs	197	13.60%	65% - 70%	55.00%	25,706 - 27,683	13.3% - 14.4%	98% - 106%
Colony Palms Hotel	56	3.87%	65% - 70%	65.00%	8,636 - 9,300	4.5% - 4.8%	116% - 125%
Parker Palm Springs	144	9.94%	65% - 70%	55.00%	18,790 - 20,236	9.7% - 10.5%	98% - 106%
Total	1,448	100.00%	59.97%	60.84%	192,849	100.00%	

Total							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
Ace Hotel & Swim Club Palm Springs - Palm Springs,	179	12.36%	68.91%	100.00%	45,025	14.21%	114.91%
Tribute Portfolio The Riviera Palm Springs	398	27.49%	55% - 60%	100.00%	79,899 - 87,162	25.2% - 27.5%	92% - 100%
Avalon Hotel Palm Springs	67	4.63%	65% - 70%	100.00%	15,896 - 17,119	5.0% - 5.4%	108% - 117%
The Saguaro Palm Springs	244	16.85%	50% - 55%	100.00%	44,530 - 48,983	14.0% - 15.5%	83% - 92%
Hard Zoso	163	11.26%	45% - 50%	100.00%	26,773 - 29,748	8.4% - 9.4%	75% - 83%
Hyatt Palm Springs	197	13.60%	65% - 70%	100.00%	46,738 - 50,334	14.7% - 15.9%	108% - 117%
Colony Palms Hotel	56	3.87%	65% - 70%	100.00%	13,286 - 14,308	4.2% - 4.5%	108% - 117%
Parker Palm Springs	144	9.94%	65% - 70%	100.00%	34,164 - 36,792	10.8% - 11.6%	108% - 117%
Total	1,448	100.00%	59.97%	100.00%	316,958	100.00%	

The projected room night demand is multiplied by the subject property's fair share percentage and by the projected penetration factor to derive the number of room nights captured during each year. The number of room nights captured is then totaled and divided by the annual number of rooms available at the subject property to estimate the projected annual occupancy level.

A brief summary of the rationale used to project the penetration rates for the subject by market segment follows.

Commercial Penetration

In 2019, the subject property achieved commercial penetration of 56 percent. The hotel is a Full Service, Ace Hotel, in very good condition, with amenities inclusive of three restaurants, an outdoor pool, fitness center, guest laundry facilities, sundry shop, and approximately 7,196 square feet of dedicated meeting space. The subject area is home to numerous regional offices especially in the health care, technology, and retail industries from which the subject receives a portion of its business. Going forward, we expect commercial penetration to stabilize at 55 percent in 2020. Commercial demand is anticipated to generate approximately 5 percent of the subject property's business mix.

Meeting & Group Penetration

In 2019, the subject property achieved meeting & group penetration of 60 percent. The subject property has approximately 7,196 square feet of dedicated meeting space, a small amount compared to the competitive set. The subject is able to capture group demand primarily from corporate groups that visit the area. There are no significant changes proposed in the subject property's meeting and group marketing plan, and we anticipate demand to be stable in this category. Going forward, we expect meeting and group penetration to increase to 60 percent in 2020, remain at 60 percent in 2021, and stabilize at 55 percent in 2022. Meeting & Group demand is anticipated to generate approximately 15 percent of the subject property's business mix.

Leisure Penetration

In 2019, the subject property achieved leisure penetration of 151 percent. The subject is an Ace Hotel property that is well located and includes three restaurants, an outdoor pool, fitness center, guest laundry facilities, sundry shop, and approximately 7,196 square feet of dedicated meeting space. The Ace has a strong leisure following throughout Southern California. Going forward, we expect leisure penetration to decrease to 147 percent in 2020, remain at 147 percent in 2021, and stabilize at 145 percent in 2022. Leisure demand is anticipated to generate approximately 80 percent of the subject property's business mix.

Overall Penetration

LWHA® projects the subject property to stabilize at 66 percent occupancy as of January 1, 2022. The stabilized occupancy level is intended to reflect the anticipated results as an average of the property over its remaining economic life given any and all changes in the life cycle of the hotel.

Total penetration level for the subject property is estimated to be 110 percent at stabilization. Due to the subject's location, product offering, and historical performance, we determine this to be a reasonable estimate.

The following table illustrates our estimated penetration rates over the projection period and resultant occupancy levels:

Ace Hotel & Swim Club Palm Springs - Palm Springs, CA												
	Historical	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Subject Property's Fair Share												
Market Supply Room	1,448	1,478	1,697	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812
Subject Property Room Count	179	181	181	181	181	181	181	181	181	181	181	181
Fair Share	12.4%	12.2%	10.7%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Room Nights Captured by Subject												
Commercial												
Fair Share	12.4%	12.2%	10.7%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Penetration Factor	55.6%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Market Share	6.9%	6.7%	5.9%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Demand	32,781	33,428	35,071	36,391	36,392	36,492	36,392	36,392	36,392	36,492	36,392	36,392
Market Share	6.9%	6.7%	5.9%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Capture	2,251	2,248	2,058	2,000	2,000	2,005	2,000	2,000	2,000	2,005	2,000	2,000
Meeting & Group												
Fair Share	12.4%	12.2%	10.7%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Penetration Factor	59.8%	60.0%	60.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Market Share	7.4%	7.3%	6.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Demand	91,328	94,776	109,254	119,142	119,148	119,474	119,148	119,148	119,148	119,474	119,148	119,148
Market Share	7.4%	7.3%	6.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Capture	6,754	6,953	6,994	6,547	6,547	6,565	6,547	6,547	6,547	6,565	6,547	6,547
Leisure												
Fair Share	12.4%	12.2%	10.7%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Penetration Factor	151.1%	147.0%	147.0%	145.0%	145.0%	145.0%	145.0%	145.0%	145.0%	145.0%	145.0%	145.0%
Market Share	18.7%	18.0%	15.7%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
Demand	192,849	200,206	225,660	241,373	241,390	242,051	241,390	241,390	241,390	242,051	241,390	241,390
Market Share	18.7%	18.0%	15.7%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
Capture	36,020	35,984	35,390	34,968	34,968	35,064	34,968	34,968	34,968	35,064	34,968	34,968
Total Capture	45,025	45,184	44,442	43,515	43,514	43,633	43,514	43,514	43,514	43,633	43,514	43,514
Subject Property Projected Occupancy												
Room Nights Captured	45,025	45,184	44,442	43,515	43,514	43,633	43,514	43,514	43,514	43,633	43,514	
Available Room Nights	65,335	66,124	66,065	66,065	66,065	66,246	66,065	66,065	66,065	66,246	66,065	
Occupancy	68.9%	68.3%	67.3%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	
Fiscal Year Adjusted Room Nights Captured	45,025	45,184	44,442	43,515	43,514	43,633	43,514	43,514	43,514	43,633	43,514	
Fiscal Year Occupancy		68.3%	67.3%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	
Overall Market Share		13.8%	12.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	
Overall Penetration		112.5%	112.6%	109.7%	109.7%	109.7%	109.7%	109.7%	109.7%	109.7%	109.7%	

Average Daily Rate Projection

One of the most important considerations in developing an estimate of the value of a lodging facility is a supportable projection of its attainable average rate, which is more formally defined as the average rate per occupied room. Average rate can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. The average rate and the anticipated occupancy percentage are used to project rooms revenue, which in turn provides the basis for developing an opinion of most other income and expense categories. Although the average rate analysis presented here follows the occupancy projections, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding average rate. This relationship is best illustrated by RevPAR, which reflects a property's ability to maximize rooms revenue.

We examined the rate structure and achieved average room rates and RevPARs of the competitive hotels in the market, in concluding the subject property's average room rate. These are depicted in the following table.

Estimated Competitive ADR - 2019		
Property	*ADR*	*RevPAR*
Ace Hotel & Swim Club Palm Springs - Palm Springs,	$233.67	$161.03
Tribute Portfolio The Riviera Palm Springs	$150 - $155	$85 - $90
Avalon Hotel Palm Springs	$300 - $305	$195 - $200
The Saguaro Palm Springs	$170 - $175	$85 - $90
Hard Zoso	$155 - $160	$75 - $80
Hyatt Palm Springs	$175 - $180	$120 - $125
Colony Palms Hotel	$260 - $265	$170 - $175
Parker Palm Springs	$400 - $405	$270 - $275
Market Average	*$211.39*	*$125.82*
Subject's Positioned ADR:		**$233.67**

We have utilized the subject's year-end average daily rate of $233.67 as the base for our analysis. The subject achieved rate growth of 5.3 percent and a slight decline of 1.5 percent in 2018 and 2019, respectively. The competitive market achieved rate growth of 4.5 percent and 0.1 percent in 2018 and 2019, respectively. Rate growth in the market was impacted by the opening of the Kimpton Rowan as well as a decline in performance of the Hotel Zoso. Now that the Kimpton is stabilizing we believe there to be rate growth potential in the market.

Going forward, average daily rate is forecasted to increase by 4.0 percent in the first fiscal year, 4.0 percent in the second fiscal year, and 3.0 percent in the third fiscal year. These projections are based on overall market trends and expectations of local operators, taking into account the subject's location, projected occupancy levels, recent renovation, very good condition and Ace Hotel brand affiliation.

In the subsequent years, average daily rate is forecasted to increase at the underlying rate of inflation of 3.0 percent per year. A discussion of our inflation forecast is included in the Income Capitalization Approach section of this report.

Subject's Projected ADR		
Year	ADR Growth	Projected ADR
Positioned ADR (2019)		$233.67
1/1/2020 - 12/31/2020	4.0%	$243.01
1/1/2021 - 12/31/2021	4.0%	$252.73
1/1/2022 - 12/31/2022	3.0%	$260.32

A hotel's ability to raise room rates is affected by several factors as indicated below.

- *Supply and Demand Relationships* – The relationship between supply and demand is one of the factors that determine hotel occupancies and average rates. Strong markets where lodging demand is increasing faster than supply are often characterized by rate growth that exceeds inflation. Markets that are overbuilt or suffering from declining demand are unlikely to exhibit any significant increases in average rates.

- *Inflationary Pressures* – Price increases caused by inflation affect hotel room rates by eroding profit margins and encouraging operators to raise prices. This strategy is effective only in markets that are characterized by a healthy supply and demand relationship.

- *Improving the Competitive Standard* – When a new lodging facility enters a mature market, its rates may be set higher than the market-wide average in an effort to justify the development costs. This may allow other competitors to achieve corresponding gains by effectively raising the amount the market will bear. However, if the addition to supply has a severe impact on the occupancy levels of other hotels, price competition may ensue.

- *Property-Specific Improvements* – Changes that make a hotel more or less attractive to guests can have an impact on average rate. An expansion, renovation, upgrading, or the introduction of additional facilities and amenities may enable greater-than-inflationary room rate increases. Likewise, deferred maintenance may make a property less competitive, engendering a decline in room rates.

The operating performance of the subject hotel is projected in terms of annual guestroom occupancy and average daily room rate. Based on the previously concluded occupancy and average room rate, the subject's room revenue is projected as illustrated below.

Occupancy, ADR, RevPAR and Rooms Revenue Conclusions			
Projection Year:	1	2	3
Fiscal Year Ending December 31:	2020	2021	2022
Number of Days in Year:	366	365	365
Number of Rooms:	181	181	181
Annual Available Rooms:	66,124	66,065	66,065
Occupied Rooms:	44,964	44,264	43,603
Annual Occupancy:	68.00%	67.00%	66.00%
Average Rate:	$243.01	$252.73	$260.32
RevPAR:	$165.25	$169.33	$171.81
Rooms Revenue	$10,926,779	$11,186,727	$11,350,707

Occupancy and Average Daily Rate Conclusion

Given the hotel's location, the complementary demand generators and amenities within the area, and the quality and size of the property, it has been assumed that the 110 percent occupancy penetration is reasonable for the subject hotel upon stabilization. Hence, we stabilized the subject hotel's occupancy at 66 percent as of January 1, 2022. We also believe the subject's $260.32 stabilized ADR and $171.81 RevPAR in year three to be reasonable and appropriate given the subject's location, brand, size, facilities, amenities and level of service.

Highest and Best Use Analysis

Highest and best use, as defined by the Dictionary of Real Estate Appraisal, 6th Edition, 2015, which is a publication of the Appraisal Institute, is defined as:

> *The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*

Legally Permissible

As noted earlier, the subject site is located within the R-3, I.L. Multiple Family Residential and Hotel Zone and also Indian Lands and has several permitted commercial uses, which include office, retail, and hotel. We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

Physically Possible

The physical aspects of the 4.64-acre parcel dictate the possible uses. The size, shape, access, and location of the land are all determinants of the value. The subject parcel has very good access and very good visibility in Palm Springs and lends itself to most types of development. The configuration of the 4.64-acre subject site would not constrict a potential developer from building on this site and is considered ample for either office or hotel use. The topography of the subject site is generally flat. Additionally, numerous other commercial developments exist within the market. All public utilities are available to the site. No physical impediments exist to restrict development.

Financially Feasible

The neighborhood immediately surrounding the subject includes a mixture of hotel, office, restaurant, and retail uses. Economic demand for the use of the subject site is created by its location in Palm Springs, California. The current fundamentals for the market are sound, and the local market will continue to support commercial activity. Due to these factors, the subject site is well-suited for hotel, office, and/or retail development, all of would be judged to be viable uses of the site today. However, recognize that fully determining the financial feasibility of any of these uses require a thorough examination and analysis of the specific use and market within which it competes and is therefore outside the scope of this assignment.

Maximally Productive

All legally permissible, physically possible and financially feasible uses of the subject site have been considered in our analysis.

Highest and Best Use of Site as If Vacant

The 4.64-acre subject site is of adequate size to support most commercial uses in Palm Springs. All types of improvements suitably scaled to the site would be physically possible. Legal restrictions as they apply to the subject property are private restrictions and the public restrictions of zoning. As previously mentioned, the site is located within the R-3, I.L. Multiple Family Residential and Hotel Zone and also

Indian Lands, and a variety of residential and commercial uses are allowed. The size and configuration of the site are considered to be suitable for the existing hotel development, as well as an array of commercial uses.

The property's very good visibility and location on the north side of East Palm Canyon Drive suggests commercial development would be most appropriate. The site is in a good location with easy access to major roadways. The market as a whole is considered healthy, and continued improvements in the national and local economies should provide an impetus for growth. The feasibility of new construction advances as the national and local economies continue to improve. As such, it is our opinion that the highest and best use of the subject site, as vacant, is for commercial development.

Highest and Best Use as Improved

According to the Dictionary of Real Estate Appraisal, highest and best use of the property as improved is defined as:

> *The use that should be made of a property as it exists. An existing improvement should be renovated or retained "as is" so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.*

Considered as improved, the subject hotel is an established enterprise in the local hotel market and represents a good quality investment property. Conversion of the property to an alternative use would be prohibitively expensive, as the building would require major structural alterations. The existing subject improvements are not excessive in relation to the site's capacity and are assumed to meet local zoning requirements. The subject improvements are compatible with the surrounding development and have significant contributory value. Therefore, we conclude the existing development represents the highest and best use for the property as improved.

The most likely buyer for the subject hotel is an investment entity with expertise in the ownership of hotel properties, including, but not limited to, a publicly traded hotel entity, a private REIT, a strategic buyer, a pension fund, a local or regional hotel owner or operator, or an overseas investor.

Valuation Process

Three approaches are generally used to estimate market value: the income capitalization, sales comparison, and cost approaches. These approaches may indicate different results that must be reconciled in deriving the final estimate. In estimating the value of the subject property, we attempted to re-create the thought processes and analyses that potential buyers of such a property would use. The most likely buyers for this property would rely primarily upon a discounted cash flow analysis of the anticipated income stream from the property. The sales comparison approach was employed as a secondary and supportive technique.

Income Capitalization Approach

The Income Capitalization Approach reflects the subject's income-producing capabilities. The two common valuation techniques associated with the Income Capitalization Approach are direct capitalization and the discounted cash flow (DCF) analysis.

The Income Capitalization Approach, utilizing the discounted cash flow technique, measures the present value of projected income flows and the reversion of the property sale. Like the other approaches, the income approach requires extensive market research, which provides information about trends and market anticipation. After income and expenses are estimated, the income stream is capitalized by applying an appropriate rate or factor, and converted into present value through discounting. The quantity, variability, timing and duration of a set of periodic incomes and the quantity and timing of the reversion are specified and discounted to a present value at a specified yield rate. The rates used for capitalization or discounting are derived from acceptable rates of return for similar properties.

Our experience with hotel investors indicates that the methodology used in estimating market value by the Income Capitalization Approach is comparable to that employed by typical hotel and motel investors. For this reason, the Income Capitalization Approach produces the most supportable market value opinion, and it generally is given the greatest weight in the hotel valuation process.

Sales Comparison Approach

The Sales Comparison Approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property market. A value indication is produced by comparing the subject property with similar properties. This approach is accomplished by estimating the degree of similarity or difference between the subject property and the comparable sales by considering various elements of comparison. The sale prices of the properties that are judged to be most comparable tend to indicate a range in which the value for the subject property will fall.

The Sales Comparison Approach may provide a useful value opinion in the case of simple forms of real estate such as vacant land and single-family homes, where the properties are homogeneous and the adjustments are few and relatively simple to compute. In the case of complex investments such as lodging facilities, where the adjustments are numerous and more difficult to quantify, the Sales Comparison Approach loses a large degree of reliability.

Hotel investors typically do not employ the Sales Comparison Approach in reaching their final purchase decisions. Factors such as the lack of recent comparable sales data and the numerous adjustments that are necessary often make the results of the Sales Comparison Approach questionable. Although the Sales

Comparison Approach may provide a range of values that supports the final opinion of value, reliance on this approach beyond the establishment of broad parameters is rarely justified by the quality of the sales data.

As an appraiser, one attempts to mirror the actions of the marketplace. In that our experience indicates that sophisticated hotel investors depend largely on financial considerations when making final purchase decisions, we generally do not give the Sales Comparison Approach strong consideration in the hotel appraisal process beyond establishing a probable range of value.

Cost Approach

The Cost Approach is based on the understanding that market participants relate value to cost. The value of the property is derived by adding the estimated value of the land to the current cost of reproduction or replacement of the improvements and then subtracting the amount of depreciation in the structures from all causes. Profit for coordination by the entrepreneur is included in the value indication. This approach is particularly useful in valuing new or nearly new improvements and properties that are not frequently exchanged. We find that knowledgeable hotel buyers base their purchase decisions on economic factors, such as projected net income and return on investment. Because the cost approach does not reflect these income-related considerations and requires a number of highly subjective depreciation estimates, in addition to the existence of the current improvement, this approach was omitted from the valuation process of this specific property.

Reconciliation

Reconciliation and correlation of value indications is the final step in the valuation process. Given the particular appraisal problem and purpose, the appraiser assesses the reliability of each approach and the quality of the data considered. Most weight is given to the approach that produces the most reliable solution and most closely reflects the behavior of typical investors. Based upon our experience in the lodging investment market, we believe that the Income Capitalization Approach produces the most supportable value opinion, and it has been given the greatest weight in developing our value conclusion.

Income Capitalization Approach

The income capitalization approach is a method used to convert the anticipated economic benefits of property ownership into a value estimate through a capitalization process. The two most common methods of converting net income into value are the direct capitalization technique, where an overall rate is extracted directly from pertinent market sales, and the discounted cash flow technique, wherein anticipated future income streams and a reversionary value are discounted to a present value estimate.

In valuing the subject property, we believe that potential investors looking to acquire a property such as the subject would place greater emphasis on the second technique that takes into consideration expected streams of income and residual proceeds from a hypothetical sale at the end of the holding period.

Review of Financial Operating Statements

The historical financial operating statements, illustrated in the table on the following page, were provided by property ownership. A 2020 budget was also provided for this assignment.

Where applicable, we have reorganized the statements in accordance with the Uniform System of Accounts for the Lodging Industry (Eleventh Revised Edition), published by the Educational Institute of the American Hotel and Lodging Association.

Ace Hotel & Swim Club Palm Springs - Palm Springs, CA
Full Operating History

	Actual				Actual				Actual				Actual				Actual				Budget/Forecast			
Year Ending December 31:	2015				2016				2017				2018				2019				2020			
Number of Days in Year:	365				366				365				365				365				366			
Number of Rooms:	179				179				176				179				179				179			
Annual Available Rooms:	65,335				65,514				64,240				65,335				65,335				65,514			
Occupied Rooms:	38,706				40,722				42,845				43,721				45,025				46,273			
Annual Occupancy:	59.24%				62.16%				66.70%				66.92%				68.91%				70.63%			
Average Rate:	205.86				219.90				225.17				237.17				233.67				236.08			
RevPAR:	121.96				136.68				150.17				158.71				161.03				166.75			
Revenue	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**
Rooms	7,968	48.5%	44,515	205.86	8,955	47.7%	50,026	219.90	9,647	47.2%	54,814	225.17	10,369	48.5%	57,929	237.17	10,521	48.0%	58,776	233.67	10,924	47.5%	61,030	236.08
Food & Beverage	6,912	42.0%	38,612	178.56	7,893	42.0%	44,093	193.82	8,709	42.6%	49,480	203.26	8,634	40.4%	48,237	197.49	8,926	40.7%	49,866	198.25	9,376	40.8%	52,381	202.63
Other Operated Departments	705	4.3%	3,940	18.22	788	4.2%	4,402	19.35	824	4.0%	4,684	19.24	920	4.3%	5,141	21.05	994	4.5%	5,553	22.08	1,087	4.7%	6,075	23.50
Miscellaneous Income	852	5.2%	4,762	22.02	1,137	6.1%	6,352	27.92	1,253	6.1%	7,118	29.24	1,434	6.7%	8,013	32.81	1,491	6.8%	8,328	33.11	1,593	6.9%	8,899	34.42
Total Revenue	**16,437**	**100.0%**	**91,828**	**424.67**	**18,772**	**100.0%**	**104,873**	**460.99**	**20,433**	**100.0%**	**116,096**	**476.90**	**21,358**	**100.0%**	**119,319**	**488.51**	**21,932**	**100.0%**	**122,522**	**487.10**	**22,981**	**100.0%**	**128,385**	**496.64**
Departmental Expenses																								
Rooms - Combined	2,207	27.7%	12,331	57.03	2,320	25.9%	12,961	56.97	2,611	27.1%	14,837	60.95	2,664	25.7%	14,883	60.93	2,725	25.9%	15,221	60.51	2,902	26.6%	16,215	62.73
Food & Beverage - Combined	4,694	67.9%	26,221	121.26	5,549	70.3%	31,001	136.27	6,325	72.6%	35,937	147.62	6,233	72.2%	34,821	142.56	6,495	72.8%	36,286	144.26	6,746	72.0%	37,689	145.79
Other Operated Departments - Combined	593	84.0%	3,311	15.31	629	79.9%	3,516	15.46	669	81.1%	3,799	15.61	735	79.9%	4,106	16.81	789	79.4%	4,408	17.52	879	80.9%	4,913	19.01
Miscellaneous Income Expense	189	22.2%	1,055	4.88	167	14.7%	931	4.09	133	10.6%	754	3.10	129	9.0%	720	2.95	143	9.6%	802	3.19	158	9.9%	880	3.40
Total Departmental Expenses	**7,682**	**46.7%**	**42,918**	**198.48**	**8,665**	**46.2%**	**48,409**	**212.79**	**9,738**	**47.7%**	**55,327**	**227.27**	**9,761**	**45.7%**	**54,530**	**223.25**	**10,152**	**46.3%**	**56,716**	**225.48**	**10,686**	**46.5%**	**59,697**	**230.93**
Departmental Income (Loss)	**8,755**	**53.3%**	**48,911**	**226.19**	**10,107**	**53.8%**	**56,464**	**248.20**	**10,695**	**52.3%**	**60,769**	**249.63**	**11,597**	**54.3%**	**64,789**	**265.26**	**11,779**	**53.7%**	**65,806**	**261.62**	**12,295**	**53.5%**	**68,688**	**265.71**
Undistributed Operating Expenses																								
Administrative & General - Combined	1,794	10.9%	10,020	46.34	1,900	10.1%	10,617	46.67	2,069	10.1%	11,758	48.30	2,102	9.8%	11,741	48.07	2,136	9.7%	11,933	47.44	2,254	9.8%	12,591	48.71
Information & Telecommunications Systems	129	0.8%	722	3.34	211	1.1%	1,181	5.19	253	1.2%	1,439	5.91	279	1.3%	1,559	6.38	291	1.3%	1,626	6.46	305	1.3%	1,702	6.58
Marketing - Combined	993	6.0%	5,547	25.65	1,254	6.7%	7,007	30.80	1,281	6.3%	7,277	29.89	1,347	6.3%	7,527	30.82	1,442	6.6%	8,055	32.02	1,492	6.5%	8,333	32.24
Utility Costs	367	2.2%	2,049	9.47	357	1.9%	1,995	8.77	379	1.9%	2,154	8.85	382	1.8%	2,132	8.73	423	1.9%	2,362	9.39	431	1.9%	2,411	9.33
Property Operation & Maintenance - Combined	722	4.4%	4,036	18.66	767	4.1%	4,285	18.83	802	3.9%	4,559	18.73	856	4.0%	4,784	19.59	900	4.1%	5,028	19.99	953	4.1%	5,323	20.59
Total Undistributed Operating Expenses	**4,005**	**24.4%**	**22,374**	**103.47**	**4,490**	**23.9%**	**25,085**	**110.27**	**4,785**	**23.4%**	**27,189**	**111.69**	**4,966**	**23.3%**	**27,742**	**113.58**	**5,192**	**23.7%**	**29,004**	**115.31**	**5,434**	**23.6%**	**30,360**	**117.44**
Income After Undistributed Operating Expenses	**4,750**	**28.9%**	**26,537**	**122.72**	**5,617**	**29.9%**	**31,379**	**137.93**	**5,910**	**28.9%**	**33,580**	**137.94**	**6,631**	**31.0%**	**37,047**	**151.67**	**6,588**	**30.0%**	**36,802**	**146.31**	**6,861**	**29.9%**	**38,328**	**148.27**
Fixed Charges																								
Management Fee	493	3.0%	2,755	12.74	563	3.0%	3,146	13.83	613	3.0%	3,483	14.31	640	3.0%	3,578	14.65	658	3.0%	3,676	14.62	689	3.0%	3,852	14.90
Property Taxes	249	1.5%	1,389	6.42	125	0.7%	698	3.07	173	0.8%	983	4.04	162	0.8%	904	3.70	508	2.3%	2,836	11.27	162	0.7%	907	3.51
Insurance	503	3.1%	2,809	12.99	579	3.1%	3,235	14.22	383	1.9%	2,174	8.93	354	1.7%	1,975	8.09	453	2.1%	2,533	10.07	458	2.0%	2,561	9.91
Reserve for Replacement	657	4.0%	3,673	16.99	751	4.0%	4,195	18.44	817	4.0%	4,644	19.08	854	4.0%	4,773	19.54	877	4.0%	4,901	19.48	919	4.0%	5,135	19.87
Other	164	1.0%	918	4.25	612	3.3%	3,419	15.03	8	0.0%	48	0.20	37	0.2%	208	0.85	41	0.2%	226	0.90	52	0.2%	289	1.12
Total Fixed Charges	**2,066**	**12.6%**	**11,544**	**53.39**	**2,630**	**14.0%**	**14,694**	**64.59**	**1,994**	**9.8%**	**11,332**	**46.55**	**2,047**	**9.6%**	**11,438**	**46.83**	**2,537**	**11.6%**	**14,172**	**56.34**	**2,281**	**9.9%**	**12,744**	**49.30**
Ground Rent	329	2.0%	1,838	8.50	-	0.0%	-	0.00	324	1.6%	1,842	7.57	427	2.0%	2,386	9.77	435	2.0%	2,430	9.66	-	0.0%	-	0.00
Hotel Cash Flow	**2,355**	**14.3%**	**13,154**	**60.83**	**2,987**	**15.9%**	**16,685**	**73.34**	**3,592**	**17.6%**	**20,407**	**83.83**	**4,157**	**19.5%**	**23,223**	**95.08**	**3,616**	**16.5%**	**20,200**	**80.31**	**4,580**	**19.9%**	**25,584**	**98.97**
NOI Adjusted for 3% Management and 4% Reserves	**2,355**	**14.3%**	**13,154**	**60.83**	**2,987**	**15.9%**	**16,685**	**73.34**	**3,592**	**17.6%**	**20,407**	**83.83**	**4,157**	**19.5%**	**23,223**	**95.08**	**3,616**	**16.5%**	**20,201**	**80.31**	**4,580**	**19.9%**	**25,584**	**98.97**

Comparable Analysis – Industry Averages & Comparable Hotels

In order to bolster our forecast for the subject property, we have analyzed the operating performance of the subject versus hotel industry averages and various comparable hotels.

Illustrated on the following page are aggregate averages for four selected property descriptive categories from the most recent HOST Report, published by STR.

Those comparative categories that were analyzed include:

Affiliation: Chain-Affiliated
Geographic Region: Pacific
Location: Resort
Price Category: Upper Upscale

HOST Report

Ace Hotel & Swim Club Palm Springs - Palm Springs, CA
Host Comparison (Host Study 2018)

Category	Subject 2019			Host Weighted Average			Full Service Chain-Affiliated			Full Service Pacific			Full Service Resort			Full Service Upper Upscale		
Occupancy (of Sample)	68.91%			75.49%			74.50%			79.86%			73.51%			74.68%		
Average Size Of Property (Rooms)	179			344			295			312			379			391		
Average Daily Rate	233.67			211.48			191.89			232.79			233.15			187.33		
	Ratio to Sales	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**
REVENUE																		
Rooms	48.0%	58,776	233.67	61.5%	58,491	211.48	65.1%	52,046	191.89	64.8%	68,205	232.79	53.8%	62,718	233.15	63.5%	51,003	187.33
Food & Beverage	40.7%	49,866	198.25	29.4%	28,296	102.73	28.0%	22,395	82.57	26.3%	27,653	94.38	32.7%	38,052	141.46	29.8%	23,971	88.05
Other Operated Departments	4.5%	5,553	22.08	5.2%	5,293	19.21	3.9%	3,155	11.63	5.4%	5,633	19.23	8.0%	9,345	34.74	3.4%	2,742	10.07
Miscellaneous Income	6.8%	8,328	33.11	3.9%	3,859	14.02	3.0%	2,385	8.79	3.6%	3,786	12.92	5.5%	6,397	23.78	3.2%	2,606	9.57
Total Revenue	**100.0%**	**122,522**	**487.10**	**100.0%**	**95,938**	**347.44**	**100.0%**	**79,981**	**294.89**	**100.0%**	**105,277**	**359.32**	**100.0%**	**116,512**	**433.13**	**100.0%**	**80,322**	**295.02**
DEPARTMENTAL EXPENSES																		
Rooms	25.9%	15,221	60.51	26.2%	15,308	55.32	26.0%	13,552	49.97	26.8%	18,291	62.43	25.7%	16,095	59.83	26.1%	13,330	48.96
Food & Beverage	72.8%	36,286	144.26	71.5%	20,188	73.17	71.3%	15,966	58.87	77.9%	21,545	73.54	69.1%	26,305	97.79	68.3%	16,366	60.11
Other Operated Depts & Rentals	79.4%	4,408	17.52	78.3%	4,249	15.45	78.9%	2,490	9.18	73.8%	4,160	14.20	85.9%	8,024	29.83	74.6%	2,046	7.51
Total Departmental Expenses	45.6%	55,914	222.29	41.2%	39,746	143.94	40.0%	32,008	118.01	41.8%	43,995	150.16	43.3%	50,424	187.45	39.5%	31,742	116.59
Total Departmental Profit	**54.4%**	**66,608**	**264.80**	**58.8%**	**56,193**	**203.50**	**60.0%**	**47,973**	**176.88**	**58.2%**	**61,282**	**209.16**	**56.7%**	**66,088**	**245.68**	**60.5%**	**48,580**	**178.44**
UNDISTRIBUTED OPERATING EXPENSES																		
Administrative & General	9.7%	11,933	47.44	7.2%	6,910	25.02	7.5%	5,974	22.03	7.2%	7,596	25.93	7.0%	8,202	30.49	7.2%	5,795	21.29
Information & Telecommunications Systems	1.3%	1,626	6.46	1.5%	1,421	5.15	1.6%	1,255	4.63	1.4%	1,462	4.99	1.4%	1,616	6.01	1.6%	1,323	4.86
Marketing	6.6%	8,055	32.02	6.6%	6,273	22.74	6.9%	5,533	20.40	6.2%	6,494	22.17	6.3%	7,282	27.07	7.1%	5,676	20.85
Franchise Fees	0.0%	0	0.00	1.2%	1,123	4.06	1.6%	1,304	4.81	1.2%	1,263	4.31	0.7%	802	2.98	1.5%	1,174	4.31
Utility Costs	1.9%	2,362	9.39	3.0%	2,830	10.26	3.0%	2,400	8.85	2.8%	2,936	10.02	3.0%	3,480	12.94	3.0%	2,441	8.97
Property Operations & Maintenance	4.1%	5,028	19.99	4.1%	3,977	14.41	4.1%	3,285	12.11	4.0%	4,252	14.51	4.3%	4,956	18.43	4.1%	3,328	12.22
Total Undistributed Operating Expenses	23.7%	29,004	115.31	23.6%	22,533	81.64	24.7%	19,751	72.82	22.8%	24,004	81.93	22.6%	26,338	97.91	24.6%	19,737	72.49
Gross Operating Profit	**30.7%**	**37,604**	**149.50**	**35.2%**	**33,659**	**121.86**	**35.3%**	**28,222**	**104.06**	**35.4%**	**37,278**	**127.23**	**34.1%**	**39,750**	**147.77**	**35.9%**	**28,843**	**105.94**
Management Fees	3.0%	3,676	14.62	3.5%	3,308	11.98	3.5%	2,832	10.44	3.5%	3,652	12.46	3.3%	3,877	14.41	3.5%	2,829	10.39
Income Before Fixed Charges	**27.7%**	**33,927**	**134.88**	**31.7%**	**30,351**	**109.89**	**31.7%**	**25,390**	**93.62**	**31.9%**	**33,626**	**114.77**	**30.8%**	**35,873**	**133.36**	**32.4%**	**26,014**	**95.55**
Selected Fixed Charges																		
Property Taxes	2.3%	2,836	11.27	3.0%	2,772	10.06	3.5%	2,777	10.24	2.6%	2,688	9.18	2.5%	2,923	10.87	3.4%	2,695	9.90
Insurance	2.1%	2,533	10.07	1.0%	957	3.47	0.9%	705	2.60	1.0%	1,037	3.54	1.2%	1,371	5.10	0.9%	684	2.51
Reserve For Capital Replacement	4.0%	4,901	19.48	2.2%	2,085	7.55	2.2%	1,795	6.62	2.2%	2,320	7.92	2.2%	2,592	9.64	2.0%	1,618	5.94
Hotel Cash Flow	**19.3%**	**23,658**	**94.06**	**27.8%**	**26,622**	**96.36**	**27.4%**	**21,909**	**80.78**	**28.4%**	**29,901**	**102.05**	**27.1%**	**31,578**	**117.39**	**28.2%**	**22,634**	**83.14**

Expense Comparables

A table detailing the operating performance of five comparable resort hotels is presented below. The comparable statements were taken from our proprietary database.

Ace Hotel & Swim Club Palm Springs - Palm Springs, CA
Competitive Review

Category	Subject 2019			Comp Weighted Average			Comp Hotel 1 Inflated Values			Comp Hotel 2 Inflated Values			Comp Hotel 3 Inflated Values			Comp Hotel 4 Inflated Values			Comp Hotel 5 Inflated Values		
Occupancy (of Sample)	68.91%			75.56%			80.74%			72.79%			73.96%			82.96%			61.50%		
Average Size Of Property (Rooms)	179			206			103			199			210			357			163		
Average Daily Rate	233.67			213.06			210.73			189.79			245.52			220.93			175.03		
	Ratio to Sales	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**
REVENUE																					
Rooms	48.0%	58,776	233.67	55.9%	59,654	213.06	61.6%	62,102	210.73	55.8%	50,422	189.79	49.3%	66,278	245.52	58.7%	66,902	220.93	53.1%	39,291	175.03
Food & Beverage	40.7%	49,866	198.25	36.3%	39,246	141.31	37.3%	37,587	127.54	39.8%	35,928	135.24	43.7%	58,712	217.49	31.8%	36,269	119.77	32.5%	24,052	107.14
Other Operated Departments	4.5%	5,553	22.08	7.8%	8,213	29.82	1.2%	1,171	3.97	4.4%	3,974	14.96	7.1%	9,493	35.17	9.4%	10,757	35.52	14.4%	10,684	47.59
Miscellaneous Income	6.8%	8,328	33.11	0.0%	0	0.00	0.0%	0	0.00	0.0%	0	0.00	0.0%	0	0.00	0.0%	0	0.00	0.0%	0	0.00
Total Revenue	**100.0%**	**122,522**	**487.10**	**100.0%**	**107,113**	**384.19**	**100.0%**	**100,860**	**342.25**	**100.0%**	**90,324**	**339.99**	**100.0%**	**134,482**	**498.17**	**100.0%**	**113,927**	**376.23**	**100.0%**	**74,026**	**329.77**
DEPARTMENTAL EXPENSES																					
Rooms	25.9%	15,221	60.51	28.9%	17,157	61.46	24.5%	15,213	51.62	34.9%	17,584	66.19	29.0%	19,227	71.22	27.7%	18,540	61.23	27.6%	10,861	48.38
Food & Beverage	72.8%	36,286	144.26	60.8%	23,246	83.17	82.3%	30,938	104.98	0.0%	0	0.00	57.9%	33,977	125.86	74.4%	26,971	89.07	94.9%	22,824	101.68
Other Operated Departments	79.4%	4,408	17.52	31.3%	2,218	8.03	58.6%	685	2.33	40.5%	1,608	6.05	14.2%	1,349	5.00	29.0%	3,114	10.29	28.7%	3,070	13.67
Total Departmental Expenses	45.6%	55,914	222.29	39.6%	42,622	152.67	46.4%	46,837	158.93	21.2%	19,192	72.24	40.6%	54,553	202.08	42.7%	48,626	160.58	49.7%	36,754	163.73
Total Departmental Profit	**54.4%**	**66,608**	**264.80**	**60.4%**	**64,492**	**231.52**	**53.6%**	**54,023**	**183.32**	**78.8%**	**71,132**	**267.75**	**59.4%**	**79,930**	**296.09**	**57.3%**	**65,301**	**215.65**	**50.3%**	**37,271**	**166.04**
UNDISTRIBUTED OPERATING EXPENSES																					
Administrative & General	9.7%	11,933	47.44	8.5%	8,962	32.59	9.8%	9,852	33.43	7.1%	6,432	24.21	9.5%	12,744	47.21	7.0%	7,973	26.33	12.1%	8,940	39.83
Information & Telecommunications Systems	1.3%	1,626	6.46	1.0%	964	3.52	0.0%	0	0.00	0.0%	0	0.00	0.0%	0	0.00	1.5%	1,755	5.79	3.1%	2,311	10.30
Marketing	6.6%	8,055	32.02	8.4%	8,992	32.31	6.4%	6,480	21.99	8.8%	7,988	30.07	8.9%	11,945	44.25	8.4%	9,597	31.69	8.3%	6,160	27.44
Utility Costs	1.9%	2,362	9.39	3.4%	3,523	12.83	2.0%	2,039	6.92	3.2%	2,858	10.76	3.3%	4,381	16.23	3.2%	3,690	12.19	5.3%	3,890	17.33
Property Operations & Maintenance	4.1%	5,028	19.99	4.5%	4,660	16.89	4.5%	4,492	15.24	4.7%	4,211	15.85	3.7%	4,952	18.34	4.2%	4,747	15.68	6.4%	4,741	21.12
Total Undistributed Operating Expenses	23.7%	29,004	115.31	27.1%	28,679	103.51	22.7%	22,862	77.58	25.8%	23,299	87.70	25.3%	34,023	126.03	27.2%	31,034	102.49	35.2%	26,042	116.01
GROSS OPERATING PROFIT	**30.7%**	**37,604**	**149.50**	**33.3%**	**35,812**	**128.01**	**30.9%**	**31,161**	**105.74**	**53.0%**	**47,833**	**180.05**	**34.1%**	**45,907**	**170.06**	**30.1%**	**34,267**	**113.16**	**15.2%**	**11,229**	**50.02**
Management Fees	3.0%	3,676	14.62	2.3%	2,415	8.90	3.0%	3,026	10.27	3.3%	2,956	11.13	2.9%	3,920	14.52	1.1%	1,252	4.13	3.0%	2,229	9.93
INCOME BEFORE FIXED CHARGES	**27.7%**	**33,927**	**134.88**	**31.0%**	**33,398**	**119.11**	**27.9%**	**28,135**	**95.47**	**49.7%**	**44,877**	**168.92**	**31.2%**	**41,987**	**155.54**	**29.0%**	**33,015**	**109.03**	**12.2%**	**9,000**	**40.09**
Selected Fixed Charges																					
Property Taxes	2.3%	2,836	11.27	3.1%	3,305	11.85	3.1%	3,167	10.75	1.5%	1,366	5.14	3.1%	4,221	15.63	3.4%	3,917	12.94	4.1%	2,998	13.36
Insurance	2.1%	2,533	10.07	1.0%	1,038	3.71	2.3%	2,337	7.93	0.9%	823	3.10	0.8%	1,010	3.74	0.8%	891	2.94	1.0%	747	3.33
Reserve For Capital Replacement	4.0%	4,901	19.48	3.7%	4,098	14.35	5.0%	5,043	17.11	3.3%	2,956	11.13	4.2%	5,702	21.12	4.2%	4,810	15.88	0.5%	380	1.69
Hotel Cash Flow	**19.3%**	**23,658**	**94.06**	**23.3%**	**24,956**	**89.20**	**17.4%**	**17,589**	**59.68**	**44.0%**	**39,733**	**149.56**	**23.1%**	**31,055**	**115.04**	**20.5%**	**23,397**	**77.27**	**6.6%**	**4,875**	**21.72**
Adjusted for 3% Management and 4% Reserves	**18.6%**	**22,818**	**90.72**	**23.0%**	**24,862**	**88.50**	**18.6%**	**18,738**	**63.58**	**41.8%**	**37,732**	**142.03**	**23.5%**	**31,564**	**116.92**	**21.2%**	**24,149**	**79.75**	**4.1%**	**3,072**	**13.68**

Financial Analysis

A summary of the underlying rationale and assumptions used in developing the annual operating performance for the subject hotel is presented in the following text. Fundamental to the opinions of operating results is the assumption of competent and efficient management at the property level, a well-coordinated marketing plan for the hotel, and a well-devised yield management strategy. Among the primary responsibilities of management are the maintenance of a quality facility, the execution of an adequate marketing effort, and operating in a cost-efficient manner.

We have used a holding period of ten years, and we have capitalized the 11th year's net operating income to calculate the reversion proceeds from a sale in that year.

Our projections incorporate an opinion of general price inflation based upon economic projections from various sources (including the U.S. Congressional Budget Office), tempered by our observations and expectations derived from historical perspectives both locally and nationally. Accordingly, to portray price level changes, we assumed an average CPI inflation rate of 3.0 percent per year throughout the 10-year projection period. This assumption is intended only to portray an expected long-term trend in price movements, rather than for a specific interval of time.

Operating revenues and expenses for the subject are projected using a proprietary Microsoft Excel model developed for LW Hospitality Advisors®. This model was especially designed to reflect the operating characteristics of a hotel property. The Excel model is based upon the theory that hotel revenues and expenses have an independent fixed component and a dependent component that varies in proportion to occupancy and the overall use of the facility. An estimate of each revenue and expense line item can be made by calculating the fixed and variable percentage components of an established level of revenue or expense. The fixed component is held constant, while the variable component is adjusted for the future incremental changes in occupancy and utilization levels.

Based on our review of the subject's prospective operating performance, as well as our analysis of comparable hotel income and expense statements and industry norms, we derived base levels of income and expense. The units of comparison include percentage of departmental and/or total revenue, amount per available room, and amount per occupied room. These units of comparison are the basis for calculating the fixed and variable component relationships for each line item.

After reviewing U.S. hotel industry averages, and the performance of comparable hotels, we developed a 10-year projection of income and expense, with the first year beginning January 1, 2020. Considering the current state of the competitive hotel market, we believe the subject property will achieve stabilization in year three of the projections, beginning January 1, 2022.

The projection of income and expense is intended to reflect the appraiser's opinion of how a typical buyer would project the subject property's operating results. Depending on the dynamics of the local market, a typical buyer's projection may be adjusted upward or downward. We have attempted to incorporate these considerations into this analysis.

Departmental Revenues

Room Revenues were calculated by estimating annual occupancy and average daily rate per occupied room for the subject property for each year of our analysis period. The estimates of occupancy were multiplied by the estimated ADR for each year to derive room revenues as shown in our DCF model. We expect the hotel's occupancy and ADR to stabilize in year three.

Occupancy, ADR, RevPAR and Rooms Revenue Conclusions			
Projection Year:	1	2	3
Fiscal Year Ending December 31:	2020	2021	2022
Number of Days in Year:	366	365	365
Number of Rooms:	181	181	181
Annual Available Rooms:	66,246	66,065	66,065
Occupied Rooms:	45,047	44,264	43,603
Annual Occupancy:	68.00%	67.00%	66.00%
Average Rate:	$243.01	$252.73	$260.32
RevPAR:	$165.25	$169.33	$171.81
Rooms Revenue	$10,946,940	$11,186,727	$11,350,707

Total Food and Beverage Revenues include proceeds from banquets, catering, room service, restaurant, lounge, meeting room rental fees, audiovisual fees, attrition fees, and other food and beverage related income. We estimated these revenues to be $209.09 per occupied room in the stabilized year deflated to year one. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Revenue Analysis: Food & Beverage						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	7,893	42.0%	44,093	193.82
2017	66.7%	225.17	8,709	42.6%	49,480	203.26
2018	66.9%	237.17	8,634	40.4%	48,237	197.49
2019	68.9%	233.67	8,926	40.7%	49,866	198.25
2020 Budget	70.6%	236.08	9,376	40.8%	52,381	202.63
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	28.0%	22,395	82.57
Pacific	79.9%	232.79	NA	26.3%	27,653	94.38
Resort	73.5%	233.15	NA	32.7%	38,052	141.46
Upper Upscale	74.7%	187.33	NA	29.8%	23,971	88.05
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	3,871	37.3%	37,587	127.54
Comp Hotel 2	72.8%	189.79	7,150	39.8%	35,928	135.24
Comp Hotel 3	74.0%	245.52	12,329	43.7%	58,712	217.49
Comp Hotel 4	83.0%	220.93	12,948	31.8%	36,269	119.77
Comp Hotel 5	61.5%	175.03	3,920	32.5%	24,052	107.14
Projections						
DCF Year 1	68.0%	243.01	9,350	40.9%	51,655	207.55
DCF Stabilized	66.0%	260.32	9,672	40.8%	53,437	221.82
DCF Stabilized (Deflated)	66.0%	245.38	9,117	40.8%	50,369	209.09

Other Operated Departments Revenues include revenues from the operation of the miscellaneous departments, including the spa and the retail store. We estimated these revenues to be $23.69 per occupied room in the stabilized year deflated to year one. The projections are within the range of HOST averages, within the range of the comparable properties, and above the subject's historical figures.

Revenue Analysis: Other Operated Departments						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	788	4.2%	4,402	19.35
2017	66.7%	225.17	824	4.0%	4,684	19.24
2018	66.9%	237.17	920	4.3%	5,141	21.05
2019	68.9%	233.67	994	4.5%	5,553	22.08
2020 Budget	70.6%	236.08	1,087	4.7%	6,075	23.50
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	3.9%	3,155	11.63
Pacific	79.9%	232.79	NA	5.4%	5,633	19.23
Resort	73.5%	233.15	NA	8.0%	9,345	34.74
Upper Upscale	74.7%	187.33	NA	3.4%	2,742	10.07
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	121	1.2%	1,171	3.97
Comp Hotel 2	72.8%	189.79	791	4.4%	3,974	14.96
Comp Hotel 3	74.0%	245.52	1,994	7.1%	9,493	35.17
Comp Hotel 4	83.0%	220.93	3,840	9.4%	10,757	35.52
Comp Hotel 5	61.5%	175.03	1,741	14.4%	10,684	47.59
Projections						
DCF Year 1	68.0%	243.01	1,051	4.6%	5,809	23.34
DCF Stabilized	66.0%	260.32	1,096	4.6%	6,054	25.13
DCF Stabilized (Deflated)	66.0%	245.38	1,033	4.6%	5,707	23.69

Miscellaneous Income includes swim club fees, ATM commissions, attrition fees, cancellation fees, laundry commissions, and resort fees. We estimated these revenues to be $33.99 per occupied room in the stabilized year deflated to year one. The projections are above the range of HOST averages but in line with the subject's historical figures.

Revenue Analysis: Miscellaneous Income						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	1,137	6.1%	6,352	27.92
2017	66.7%	225.17	1,253	6.1%	7,118	29.24
2018	66.9%	237.17	1,434	6.7%	8,013	32.81
2019	68.9%	233.67	1,491	6.8%	8,328	33.11
2020 Budget	70.6%	236.08	1,593	6.9%	8,899	34.42
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	3.0%	2,385	8.79
Pacific	79.9%	232.79	NA	3.6%	3,786	12.92
Resort	73.5%	233.15	NA	5.5%	6,397	23.78
Upper Upscale	74.7%	187.33	NA	3.2%	2,606	9.57
Projections						
DCF Year 1	68.0%	243.01	1,518	6.6%	8,385	33.69
DCF Stabilized	66.0%	260.32	1,572	6.6%	8,687	36.06
DCF Stabilized (Deflated)	66.0%	245.38	1,482	6.6%	8,188	33.99

Departmental Expenses

Room Expenses include both payroll related and other departmental expenditures. Room department expenses consist of salaries and wages, uniforms, travel agent commissions, guest supplies, paper goods, cleaning, laundry, linen, and other items for maintaining guestrooms. We estimated expenses to stabilize at 25.6 percent of departmental revenues and $62.76 per occupied room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Rooms - Combined						
Subject	Occ %	ADR	$ 1000's	% of Rooms Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	2,320	25.9%	12,961	56.97
2017	66.7%	225.17	2,611	27.1%	14,837	60.95
2018	66.9%	237.17	2,664	25.7%	14,883	60.93
2019	68.9%	233.67	2,725	25.9%	15,221	60.51
2020 Budget	70.6%	236.08	2,902	26.6%	16,215	62.73
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	26.0%	13,552	49.97
Pacific	79.9%	232.79	NA	26.8%	18,291	62.43
Resort	73.5%	233.15	NA	25.7%	16,095	59.83
Upper Upscale	74.7%	187.33	NA	26.1%	13,330	48.96
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	1,567	24.5%	15,213	51.62
Comp Hotel 2	72.8%	189.79	3,499	34.9%	17,584	66.19
Comp Hotel 3	74.0%	245.52	4,038	29.0%	19,227	71.22
Comp Hotel 4	83.0%	220.93	6,619	27.7%	18,540	61.23
Comp Hotel 5	61.5%	175.03	1,770	27.6%	10,861	48.38
Projections						
DCF Year 1	68.0%	243.01	2,794	25.5%	15,436	62.02
DCF Stabilized	66.0%	260.32	2,903	25.6%	16,039	66.58
DCF Stabilized (Deflated)	66.0%	245.38	2,736	25.6%	15,119	62.76

Food & Beverage Expenses reflect the cost of sales and other operational expenses from the sale food and beverages at the subject hotel. We estimated expenses to stabilize at 72.0 percent of departmental revenues and $150.54 per occupied room deflated to year one dollars. The projections are within the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Food & Beverage - Combined						
Subject	Occ %	ADR	$ 1000's	% of F&B Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	5,549	70.3%	31,001	136.27
2017	66.7%	225.17	6,325	72.6%	35,937	147.62
2018	66.9%	237.17	6,233	72.2%	34,821	142.56
2019	68.9%	233.67	6,495	72.8%	36,286	144.26
2020 Budget	70.6%	236.08	6,746	72.0%	37,689	145.79
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	71.3%	15,966	58.87
Pacific	79.9%	232.79	NA	77.9%	21,545	73.54
Resort	73.5%	233.15	NA	69.1%	26,305	97.79
Upper Upscale	74.7%	187.33	NA	68.3%	16,366	60.11
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	3,187	82.3%	30,938	104.98
Comp Hotel 3	74.0%	245.52	7,135	57.9%	33,977	125.86
Comp Hotel 4	83.0%	220.93	9,629	74.4%	26,971	89.07
Comp Hotel 5	61.5%	175.03	3,720	94.9%	22,824	101.68
Projections						
DCF Year 1	68.0%	243.01	6,649	71.1%	36,737	147.61
DCF Stabilized	66.0%	260.32	6,964	72.0%	38,474	159.71
DCF Stabilized (Deflated)	66.0%	245.38	6,564	72.0%	36,265	150.54

Other Operated Departments Expenses include expenses associated with the provision of the miscellaneous departments, including the spa and retail. We estimated expenses to stabilize at 79.0 percent of departmental revenues and $18.71 per occupied room deflated to year one dollars. The projections are within the range of HOST averages, above the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Other Operated Departments - Combined						
Subject	Occ %	ADR	$ 1000's	% of Other Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	629	79.9%	3,516	15.46
2017	66.7%	225.17	669	81.1%	3,799	15.61
2018	66.9%	237.17	735	79.9%	4,106	16.81
2019	68.9%	233.67	789	79.4%	4,408	17.52
2020 Budget	70.6%	236.08	879	80.9%	4,913	19.01
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	78.9%	2,490	9.18
Pacific	79.9%	232.79	NA	73.8%	4,160	14.20
Resort	73.5%	233.15	NA	85.9%	8,024	29.83
Upper Upscale	74.7%	187.33	NA	74.6%	2,046	7.51
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	71	58.6%	685	2.33
Comp Hotel 2	72.8%	189.79	320	40.5%	1,608	6.05
Comp Hotel 3	74.0%	245.52	283	14.2%	1,349	5.00
Comp Hotel 4	83.0%	220.93	1,112	29.0%	3,114	10.29
Comp Hotel 5	61.5%	175.03	500	28.7%	3,070	13.67
Projections						
DCF Year 1	68.0%	243.01	824	78.4%	4,555	18.30
DCF Stabilized	66.0%	260.32	866	79.0%	4,783	19.85
DCF Stabilized (Deflated)	66.0%	245.38	816	79.0%	4,508	18.71

Undistributed Operating Expenses

Administrative and General Expenses represent payroll costs and other expenses for management and administrative staff, including the manager's office, accounting office and personnel department, legal fees, credit card commissions, printing, stationery, and postage costs. We estimated expenses to stabilize at 9.8 percent of total revenue and $12,076 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Administrative & General - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	1,900	10.1%	10,617	46.67
2017	66.7%	225.17	2,069	10.1%	11,758	48.30
2018	66.9%	237.17	2,102	9.8%	11,741	48.07
2019	68.9%	233.67	2,136	9.7%	11,933	47.44
2020 Budget	70.6%	236.08	2,254	9.8%	12,591	48.71
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	7.5%	5,974	22.03
Pacific	79.9%	232.79	NA	7.2%	7,596	25.93
Resort	73.5%	233.15	NA	7.0%	8,202	30.49
Upper Upscale	74.7%	187.33	NA	7.2%	5,795	21.29
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	1,015	9.8%	9,852	33.43
Comp Hotel 2	72.8%	189.79	1,280	7.1%	6,432	24.21
Comp Hotel 3	74.0%	245.52	2,676	9.5%	12,744	47.21
Comp Hotel 4	83.0%	220.93	2,846	7.0%	7,973	26.33
Comp Hotel 5	61.5%	175.03	1,457	12.1%	8,940	39.83
Projections						
DCF Year 1	68.0%	243.01	2,203	9.6%	12,173	48.91
DCF Stabilized	66.0%	260.32	2,319	9.8%	12,811	53.18
DCF Stabilized (Deflated)	66.0%	245.38	2,186	9.8%	12,076	50.13

Information and Telecommunications Systems include expenses associated with information system and technology costs, including internet, administrative-related telecom, and computer systems. We estimated expenses to stabilize at 1.3 percent of total revenue and $1,602 per available room deflated to year one dollars. The projections are within the range of HOST averages, below the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Information & Telecommunications Systems						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	211	1.1%	1,181	5.19
2017	66.7%	225.17	253	1.2%	1,439	5.91
2018	66.9%	237.17	279	1.3%	1,559	6.38
2019	68.9%	233.67	291	1.3%	1,626	6.46
2020 Budget	70.6%	236.08	305	1.3%	1,702	6.58
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	1.6%	1,255	4.63
Pacific	79.9%	232.79	NA	1.4%	1,462	4.99
Resort	73.5%	233.15	NA	1.4%	1,616	6.01
Upper Upscale	74.7%	187.33	NA	1.6%	1,323	4.86
Comparable Hotels						
Comp Hotel 4	83.0%	220.93	626	1.5%	1,755	5.79
Comp Hotel 5	61.5%	175.03	377	3.1%	2,311	10.30
Projections						
DCF Year 1	68.0%	243.01	292	1.3%	1,611	6.47
DCF Stabilized	66.0%	260.32	308	1.3%	1,699	7.05
DCF Stabilized (Deflated)	66.0%	245.38	290	1.3%	1,602	6.65

Sales and Marketing Expenses includes sales and marketing payroll, direct advertising costs, cooperative advertising, dues and subscriptions, entertainment, trade shows and travel. We estimated expenses to stabilize at 6.3 percent of total revenue and $7,812 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Marketing - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	1,254	6.7%	7,007	30.80
2017	66.7%	225.17	1,281	6.3%	7,277	29.89
2018	66.9%	237.17	1,347	6.3%	7,527	30.82
2019	68.9%	233.67	1,442	6.6%	8,055	32.02
2020 Budget	70.6%	236.08	1,492	6.5%	8,333	32.24
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	6.9%	5,533	20.40
Pacific	79.9%	232.79	NA	6.2%	6,494	22.17
Resort	73.5%	233.15	NA	6.3%	7,282	27.07
Upper Upscale	74.7%	187.33	NA	7.1%	5,676	20.85
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	667	6.4%	6,480	21.99
Comp Hotel 2	72.8%	189.79	1,590	8.8%	7,988	30.07
Comp Hotel 3	74.0%	245.52	2,509	8.9%	11,945	44.25
Comp Hotel 4	83.0%	220.93	3,426	8.4%	9,597	31.69
Comp Hotel 5	61.5%	175.03	1,004	8.3%	6,160	27.44
Projections						
DCF Year 1	68.0%	243.01	1,427	6.2%	7,883	31.67
DCF Stabilized	66.0%	260.32	1,500	6.3%	8,287	34.40
DCF Stabilized (Deflated)	66.0%	245.38	1,414	6.3%	7,812	32.43

Utility Costs includes the cost of fuel, electricity, chilled water and other utilities. We estimated expenses to stabilize at 1.8 percent of total revenue and $2,191 per available room deflated to year one dollars. The projections are below the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Utility Costs						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	357	1.9%	1,995	8.77
2017	66.7%	225.17	379	1.9%	2,154	8.85
2018	66.9%	237.17	382	1.8%	2,132	8.73
2019	68.9%	233.67	423	1.9%	2,362	9.39
2020 Budget	70.6%	236.08	431	1.9%	2,411	9.33
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	3.0%	2,400	8.85
Pacific	79.9%	232.79	NA	2.8%	2,936	10.02
Resort	73.5%	233.15	NA	3.0%	3,480	12.94
Upper Upscale	74.7%	187.33	NA	3.0%	2,441	8.97
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	210	2.0%	2,039	6.92
Comp Hotel 2	72.8%	189.79	569	3.2%	2,858	10.76
Comp Hotel 3	74.0%	245.52	920	3.3%	4,381	16.23
Comp Hotel 4	83.0%	220.93	1,317	3.2%	3,690	12.19
Comp Hotel 5	61.5%	175.03	634	5.3%	3,890	17.33
Projections						
DCF Year 1	68.0%	243.01	398	1.7%	2,201	8.85
DCF Stabilized	66.0%	260.32	421	1.8%	2,324	9.65
DCF Stabilized (Deflated)	66.0%	245.38	397	1.8%	2,191	9.09

Property Operation and Maintenance includes the payroll costs of the maintenance and engineering staffs, elevator maintenance, waste removal, supplies and maintenance contracts. We estimated expenses to stabilize at 4.0 percent of total revenue and $4,934 per available room deflated to year one dollars. The projections are within the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Property Operation & Maintenance - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	767	4.1%	4,285	18.83
2017	66.7%	225.17	802	3.9%	4,559	18.73
2018	66.9%	237.17	856	4.0%	4,784	19.59
2019	68.9%	233.67	900	4.1%	5,028	19.99
2020 Budget	70.6%	236.08	953	4.1%	5,323	20.59
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	4.1%	3,285	12.11
Pacific	79.9%	232.79	NA	4.0%	4,252	14.51
Resort	73.5%	233.15	NA	4.3%	4,956	18.43
Upper Upscale	74.7%	187.33	NA	4.1%	3,328	12.22
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	463	4.5%	4,492	15.24
Comp Hotel 2	72.8%	189.79	838	4.7%	4,211	15.85
Comp Hotel 3	74.0%	245.52	1,040	3.7%	4,952	18.34
Comp Hotel 4	83.0%	220.93	1,695	4.2%	4,747	15.68
Comp Hotel 5	61.5%	175.03	773	6.4%	4,741	21.12
Projections						
DCF Year 1	68.0%	243.01	902	3.9%	4,984	20.03
DCF Stabilized	66.0%	260.32	947	4.0%	5,235	21.73
DCF Stabilized (Deflated)	66.0%	245.38	893	4.0%	4,934	20.48

Gross Operating Profit (GOP) is the income after departmental and undistributed operating expenses. We estimated gross operating profit to stabilize at 30.9 percent of total revenue. The projections are within the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Gross Operating Profit (GOP)						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	5,617	29.9%	31,379	137.93
2017	66.7%	225.17	5,910	28.9%	33,580	137.94
2018	66.9%	237.17	6,631	31.0%	37,047	151.67
2019	68.9%	233.67	6,588	30.0%	36,802	146.31
2020 Budget	70.6%	236.08	6,861	29.9%	38,328	148.27
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	35.3%	28,222	104.06
Pacific	79.9%	232.79	NA	35.4%	37,278	127.23
Resort	73.5%	233.15	NA	34.1%	39,750	147.77
Upper Upscale	74.7%	187.33	NA	35.9%	28,843	105.94
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	3,210	30.9%	31,161	105.74
Comp Hotel 2	72.8%	189.79	9,519	53.0%	47,833	180.05
Comp Hotel 3	74.0%	245.52	9,640	34.1%	45,907	170.06
Comp Hotel 4	83.0%	220.93	12,233	30.1%	34,267	113.16
Comp Hotel 5	61.5%	175.03	1,830	15.2%	11,229	50.02
Projections						
DCF Year 1	68.0%	243.01	7,241	31.7%	40,003	160.73
DCF Stabilized	66.0%	260.32	7,322	30.9%	40,455	167.93
DCF Stabilized (Deflated)	66.0%	245.38	6,902	30.9%	38,133	158.29

Fixed Expenses

Management Fees are calculated based on the management agreement provided. This appraisal assumes that the subject property would be sold encumbered by Ace management. A synopsis of the management agreement and our projections appear below.

Synopsis of Management Agreement	
Effective Date	November 3, 2008
Owner	701 East Palm Canyon Lessee, LLC
Manager	Ace Hotel Group, LLC
Expiration	Initial term of 20 years - owner has two five-year renewal term options
Fees	3.0% of Gross Revenues
	Reserves of 4.0% of Gross Revenues
Termination	Owner could terminate during first three years with payment of $350,000 termination fee
Compiled by LW Hospitality Advisors®	

Expense Analysis: Management Fee						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	563	3.0%	3,146	13.83
2017	66.7%	225.17	613	3.0%	3,483	14.31
2018	66.9%	237.17	640	3.0%	3,578	14.65
2019	68.9%	233.67	658	3.0%	3,676	14.62
2020 Budget	70.6%	236.08	689	3.0%	3,852	14.90
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	3.5%	2,832	10.44
Pacific	79.9%	232.79	NA	3.5%	3,652	12.46
Resort	73.5%	233.15	NA	3.3%	3,877	14.41
Upper Upscale	74.7%	187.33	NA	3.5%	2,829	10.39
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	312	3.0%	3,026	10.27
Comp Hotel 2	72.8%	189.79	588	3.3%	2,956	11.13
Comp Hotel 3	74.0%	245.52	823	2.9%	3,920	14.52
Comp Hotel 4	83.0%	220.93	447	1.1%	1,252	4.13
Comp Hotel 5	61.5%	175.03	363	3.0%	2,229	9.93
Projections						
DCF Year 1	68.0%	243.01	686	3.0%	3,790	15.23
DCF Stabilized	66.0%	260.32	711	3.0%	3,927	16.30
DCF Stabilized (Deflated)	66.0%	245.38	670	3.0%	3,701	15.36

Property Taxes have been calculated based on our analysis in the preceding Assessment and Real Estate Taxes section and have been estimated for the first year of our analysis at $787,435. Please see the Assessment and Real Estate Taxes section for greater detail on this projection.

Expense Analysis: Property Taxes						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	125	0.7%	698	3.07
2017	66.7%	225.17	173	0.8%	983	4.04
2018	66.9%	237.17	162	0.8%	904	3.70
2019	68.9%	233.67	508	2.3%	2,836	11.27
2020 Budget	70.6%	236.08	162	0.7%	907	3.51
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	3.5%	2,777	10.24
Pacific	79.9%	232.79	NA	2.6%	2,688	9.18
Resort	73.5%	233.15	NA	2.5%	2,923	10.87
Upper Upscale	74.7%	187.33	NA	3.4%	2,695	9.90
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	326	3.1%	3,167	10.75
Comp Hotel 2	72.8%	189.79	272	1.5%	1,366	5.14
Comp Hotel 3	74.0%	245.52	886	3.1%	4,221	15.63
Comp Hotel 4	83.0%	220.93	1,398	3.4%	3,917	12.94
Comp Hotel 5	61.5%	175.03	489	4.1%	2,998	13.36
Projections						
DCF Year 1	68.0%	243.01	787	3.4%	4,350	17.48
DCF Stabilized	66.0%	260.32	819	3.5%	4,526	18.79
DCF Stabilized (Deflated)	66.0%	245.38	772	3.5%	4,266	17.71

Insurance consists of the cost of insuring the property and its contents against damage or destruction. We estimated expenses to stabilize at 1.7 percent of total revenue and $2,054 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Insurance						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	579	3.1%	3,235	14.22
2017	66.7%	225.17	383	1.9%	2,174	8.93
2018	66.9%	237.17	354	1.7%	1,975	8.09
2019	68.9%	233.67	453	2.1%	2,533	10.07
2020 Budget	70.6%	236.08	458	2.0%	2,561	9.91
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	0.9%	705	2.60
Pacific	79.9%	232.79	NA	1.0%	1,037	3.54
Resort	73.5%	233.15	NA	1.2%	1,371	5.10
Upper Upscale	74.7%	187.33	NA	0.9%	684	2.51
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	241	2.3%	2,337	7.93
Comp Hotel 2	72.8%	189.79	164	0.9%	823	3.10
Comp Hotel 3	74.0%	245.52	212	0.8%	1,010	3.74
Comp Hotel 4	83.0%	220.93	318	0.8%	891	2.94
Comp Hotel 5	61.5%	175.03	122	1.0%	747	3.33
Projections						
DCF Year 1	68.0%	243.01	373	1.6%	2,060	8.28
DCF Stabilized	66.0%	260.32	394	1.7%	2,179	9.05
DCF Stabilized (Deflated)	66.0%	245.38	372	1.7%	2,054	8.53

Reserve for Replacement is typically 3.0 percent to 5.0 percent of total revenue to provide for the timely replacement of furniture, fixtures and equipment. We forecasted reserves for replacement of 4.0 percent of total revenue which is anticipated to cover all future capital expenditures.

Expense Analysis: Reserve for Replacement						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	751	4.0%	4,195	18.44
2017	66.7%	225.17	817	4.0%	4,644	19.08
2018	66.9%	237.17	854	4.0%	4,773	19.54
2019	68.9%	233.67	877	4.0%	4,901	19.48
2020 Budget	70.6%	236.08	919	4.0%	5,135	19.87
Industry Averages						
Chain-Affiliated	74.5%	191.89	NA	2.2%	1,795	6.62
Pacific	79.9%	232.79	NA	2.2%	2,320	7.92
Resort	73.5%	233.15	NA	2.2%	2,592	9.64
Upper Upscale	74.7%	187.33	NA	2.0%	1,618	5.94
Comparable Hotels						
Comp Hotel 1	80.7%	210.73	519	5.0%	5,043	17.11
Comp Hotel 2	72.8%	189.79	588	3.3%	2,956	11.13
Comp Hotel 3	74.0%	245.52	1,197	4.2%	5,702	21.12
Comp Hotel 4	83.0%	220.93	1,717	4.2%	4,810	15.88
Comp Hotel 5	61.5%	175.03	62	0.5%	380	1.69
Projections						
DCF Year 1	68.0%	243.01	915	4.0%	5,053	20.30
DCF Stabilized	66.0%	260.32	948	4.0%	5,236	21.73
DCF Stabilized (Deflated)	66.0%	245.38	893	4.0%	4,935	20.49

As noted, the subject property is on leased land and subject to **Ground Rent** payments. A synopsis of the lease agreement appears below. The percentage rent exceeds base rent in all years of our projections.

Ground Lease		
Date Commenced		November 3, 2008
Landlord		Virginia Ann Milanovich
Tenant		701 East Palm Canyon Lessee, LLC
Termination		99 years
Percentage Rent		2.0% of Gross Revenue
Base Rent	*	From November 2010 to November 2015: $273,000 per year
	*	From November 2015 to November 2020, rent shall be based on the CPI for All Urban Consumers for the Los Angeles-Riverside-Orange Counties region of the three months prior to the third anniversary of the Commencement Date (i.e. September 2011) and the three months prior to the Initial Adjustment Date (i.e. September 2015); capped at 15% increase over the rent for the prior period
	*	For the three succeeding 5-year periods (i.e. November 2020 to November 2035) and one succeeding 3-year period (November 2035 to November 2038), rent shall be based on the CPI for the three months prior to the prior Adjustment Date (i.e. September 2015, 2020, 2025, 2030) and the three months prior to the subject Adjustment Date (i.e. September 2020, 2025, 2030, 2035); capped at 20% increase over the rent for the prior period
	*	For the two succeeding 30-year periods (years 31 through 60 of the Term), rent shall be based on the greater of: (i) 9% of the then fair market land value or (ii) CPI adjustment
Compiled by LW Hospitality Advisors®		

We have also projected **Other Expenses** which include payments for rented equipment, in line with historical results and the 2020 budget.

Expense Analysis: Other						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2016	62.2%	219.90	612	3.3%	3,419	15.03
2017	66.7%	225.17	8	0.0%	48	0.20
2018	66.9%	237.17	37	0.2%	208	0.85
2019	68.9%	233.67	41	0.2%	226	0.90
2020 Budget	70.6%	236.08	52	0.2%	289	1.12
Projections						
DCF Year 1	68.0%	243.01	52	0.2%	289	1.16
DCF Stabilized	66.0%	260.32	55	0.2%	307	1.27
DCF Stabilized (Deflated)	66.0%	245.38	52	0.2%	289	1.20

Ten-Year Projection of Income and Expense

The following ten-year projection of income and expense reflects the subject property's anticipated performance on a calendar basis beginning December 31, 2019. Stabilization is anticipated to occur in year three of the projection period. The statements are expressed in inflated dollars for each fiscal year.

Ace Hotel & Swim Club Palm Springs - Palm Springs, CA
10 Year Summary

Projection Year	1	2	3	4	5	6	7	8	9	10	11
Fiscal Year Ending December 31:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Days in Year	366	365	365	365	366	365	365	365	366	365	365
Number of Rooms	181	181	181	181	181	181	181	181	181	181	181
Rooms Available	66,246	66,065	66,065	66,065	66,246	66,065	66,065	66,065	66,246	66,065	66,065
Occupied Rooms	45,047	44,264	43,603	43,603	43,722	43,603	43,603	43,603	43,722	43,603	43,603
Occupancy	68.00%	67.00%	66.00%	66.00%	66.00%	66.00%	66.00%	66.00%	66.00%	66.00%	66.00%
Average Rate	243.01	252.73	260.32	268.13	276.17	284.46	292.99	301.78	310.83	320.16	329.76
RevPAR	165.25	169.33	171.81	176.97	182.27	187.74	193.37	199.17	205.15	211.31	217.64

	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %
REVENUE																						
Rooms	10,947	47.9%	11,187	48.0%	11,351	47.9%	11,691	47.9%	12,075	47.9%	12,403	47.9%	12,775	47.9%	13,158	47.9%	13,590	47.9%	13,960	47.9%	14,378	47.9%
Food & Beverage	9,350	40.9%	9,497	40.8%	9,672	40.8%	9,962	40.8%	10,289	40.8%	10,569	40.8%	10,886	40.8%	11,213	40.8%	11,581	40.8%	11,895	40.8%	12,252	40.8%
Other Operated Departments	1,051	4.6%	1,072	4.6%	1,096	4.6%	1,129	4.6%	1,166	4.6%	1,197	4.6%	1,233	4.6%	1,270	4.6%	1,312	4.6%	1,348	4.6%	1,388	4.6%
Miscellaneous Income	1,518	6.6%	1,543	6.6%	1,572	6.6%	1,619	6.6%	1,673	6.6%	1,718	6.6%	1,770	6.6%	1,823	6.6%	1,883	6.6%	1,934	6.6%	1,992	6.6%
Total Revenue	**22,866**	**100.0%**	**23,298**	**100.0%**	**23,691**	**100.0%**	**24,402**	**100.0%**	**25,202**	**100.0%**	**25,888**	**100.0%**	**26,664**	**100.0%**	**27,464**	**100.0%**	**28,365**	**100.0%**	**29,137**	**100.0%**	**30,011**	**100.0%**
DEPARTMENTAL EXPENSES																						
Rooms - Combined	2,794	25.5%	2,844	25.4%	2,903	25.6%	2,990	25.6%	3,088	25.6%	3,172	25.6%	3,267	25.6%	3,366	25.6%	3,476	25.6%	3,570	25.6%	3,678	25.6%
Food & Beverage - Combined	6,649	71.1%	6,796	71.6%	6,964	72.0%	7,173	72.0%	7,408	72.0%	7,610	72.0%	7,838	72.0%	8,073	72.0%	8,338	72.0%	8,565	72.0%	8,822	72.0%
Other Operated Departments - Combined	824	78.4%	844	78.7%	866	79.0%	892	79.0%	921	79.0%	946	79.0%	974	79.0%	1,004	79.0%	1,037	79.0%	1,065	79.0%	1,097	79.0%
Miscellaneous Income Expense	135	8.9%	138	8.9%	141	9.0%	146	9.0%	150	9.0%	154	9.0%	159	9.0%	164	9.0%	169	9.0%	174	9.0%	179	9.0%
Total Departmental Expenses	10,403	45.5%	10,621	45.6%	10,874	45.9%	11,200	45.9%	11,568	45.9%	11,882	45.9%	12,239	45.9%	12,606	45.9%	13,020	45.9%	13,374	45.9%	13,775	45.9%
Total Departmental Profit	**12,463**	**54.5%**	**12,677**	**54.4%**	**12,817**	**54.1%**	**13,201**	**54.1%**	**13,635**	**54.1%**	**14,005**	**54.1%**	**14,425**	**54.1%**	**14,858**	**54.1%**	**15,346**	**54.1%**	**15,763**	**54.1%**	**16,236**	**54.1%**
UNDISTRIBUTED OPERATING EXPENSES																						
Administrative & General - Combined	2,203	9.6%	2,259	9.7%	2,319	9.8%	2,388	9.8%	2,467	9.8%	2,534	9.8%	2,610	9.8%	2,688	9.8%	2,776	9.8%	2,852	9.8%	2,937	9.8%
Information & Telecommunications Systems	292	1.3%	299	1.3%	308	1.3%	317	1.3%	327	1.3%	336	1.3%	346	1.3%	357	1.3%	368	1.3%	378	1.3%	390	1.3%
Marketing - Combined	1,427	6.2%	1,462	6.3%	1,500	6.3%	1,545	6.3%	1,596	6.3%	1,639	6.3%	1,688	6.3%	1,739	6.3%	1,796	6.3%	1,845	6.3%	1,900	6.3%
Utility Costs	398	1.7%	409	1.8%	421	1.8%	433	1.8%	448	1.8%	460	1.8%	473	1.8%	488	1.8%	504	1.8%	517	1.8%	533	1.8%
Property Operation & Maintenance - Combined	902	3.9%	924	4.0%	947	4.0%	976	4.0%	1,008	4.0%	1,035	4.0%	1,066	4.0%	1,098	4.0%	1,134	4.0%	1,165	4.0%	1,200	4.0%
Total Undistributed Operating Expenses	5,222	22.8%	5,353	23.0%	5,495	23.2%	5,659	23.2%	5,845	23.2%	6,004	23.2%	6,184	23.2%	6,370	23.2%	6,579	23.2%	6,758	23.2%	6,960	23.2%
GROSS OPERATING PROFIT	**7,241**	**31.7%**	**7,324**	**31.4%**	**7,322**	**30.9%**	**7,542**	**30.9%**	**7,789**	**30.9%**	**8,001**	**30.9%**	**8,241**	**30.9%**	**8,489**	**30.9%**	**8,767**	**30.9%**	**9,006**	**30.9%**	**9,276**	**30.9%**
Management Fee	686	3.0%	699	3.0%	711	3.0%	732	3.0%	756	3.0%	777	3.0%	800	3.0%	824	3.0%	851	3.0%	874	3.0%	900	3.0%
INCOME BEFORE FIXED CHARGES	**6,555**	**28.7%**	**6,625**	**28.4%**	**6,612**	**27.9%**	**6,810**	**27.9%**	**7,033**	**27.9%**	**7,225**	**27.9%**	**7,441**	**27.9%**	**7,665**	**27.9%**	**7,916**	**27.9%**	**8,131**	**27.9%**	**8,375**	**27.9%**
Selected Fixed Charges																						
Property Taxes	787	3.4%	803	3.4%	819	3.5%	836	3.4%	852	3.4%	869	3.4%	887	3.3%	905	3.3%	923	3.3%	941	3.2%	-	0.0%
Insurance	373	1.6%	383	1.6%	394	1.7%	406	1.7%	420	1.7%	431	1.7%	444	1.7%	457	1.7%	472	1.7%	485	1.7%	500	1.7%
Reserve for Replacement	915	4.0%	932	4.0%	948	4.0%	976	4.0%	1,008	4.0%	1,036	4.0%	1,067	4.0%	1,099	4.0%	1,135	4.0%	1,165	4.0%	1,200	4.0%
Other	52	0.2%	53	0.2%	55	0.2%	57	0.2%	58	0.2%	60	0.2%	62	0.2%	64	0.2%	66	0.2%	68	0.2%	70	0.2%
Ground Rent	457	2.0%	466	2.0%	474	2.0%	488	2.0%	504	2.0%	518	2.0%	533	2.0%	549	2.0%	567	2.0%	583	2.0%	600	2.0%
Net Operating Income	**3,971**	**17.4%**	**3,988**	**17.1%**	**3,921**	**16.6%**	**4,047**	**16.6%**	**4,191**	**16.6%**	**4,311**	**16.7%**	**4,449**	**16.7%**	**4,591**	**16.7%**	**4,754**	**16.8%**	**4,889**	**16.8%**	**6,005**	**20.0%**

Detailed Projections of Income and Expense

Ace Hotel & Swim Club Palm Springs - Palm Springs, CA
Cash Flow Detail

	Trailing 12 Month Actual				Budget/Forecast				DCF Year 1				DCF Year 2				Stabilized DCF Year 3			
Projected Fiscal Year Ending December 31:	2020	(YE December 31)			2020				2020				2021				2022			
Number of Days in Year:	366				366				366				365				365			
Number of Rooms:	179				179				181				181				181			
Annual Available Rooms:	65,514				65,514				66,246				66,065				66,065			
Occupied Rooms:	43,721				46,273				45,047				44,264				43,603			
Annual Occupancy:	66.74%				70.63%				68.00%				67.00%				66.00%			
Average Rate:	237.17				236.08				243.01				252.73				260.32			
RevPAR:	158.28				166.75				165.25				169.33				171.81			
Revenue	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**
Rooms	10,369,236	48.5%	57,929	237.17	10,924,305	47.5%	61,030	236.08	10,946,940	47.9%	60,480	243.01	11,186,727	48.0%	61,805	252.73	11,350,707	47.9%	62,711	260.32
Food & Beverage	8,634,456	40.4%	48,237	197.49	9,376,193	40.8%	52,381	202.63	9,349,608	40.9%	51,655	207.55	9,497,075	40.8%	52,470	214.56	9,672,076	40.8%	53,437	221.82
Other Operated Departments	920,152	4.3%	5,141	21.05	1,087,497	4.7%	6,075	23.50	1,051,460	4.6%	5,809	23.34	1,071,985	4.6%	5,923	24.22	1,095,842	4.6%	6,054	25.13
Miscellaneous Income	1,434,286	6.7%	8,013	32.81	1,592,942	6.9%	8,899	34.42	1,517,633	6.6%	8,385	33.69	1,542,701	6.6%	8,523	34.85	1,572,306	6.6%	8,687	36.06
Total Revenue	**21,358,130**	**100.0%**	**119,319**	**488.51**	**22,980,937**	**100.0%**	**128,385**	**496.64**	**22,865,641**	**100.0%**	**126,330**	**507.59**	**23,298,487**	**100.0%**	**128,721**	**526.36**	**23,690,931**	**100.0%**	**130,889**	**543.33**
Departmental Expenses																				
Rooms - Combined	2,664,005	25.7%	14,883	60.93	2,902,484	26.6%	16,215	62.73	2,793,867	25.5%	15,436	62.02	2,844,197	25.4%	15,714	64.26	2,903,131	25.6%	16,039	66.58
Food & Beverage - Combined	6,233,035	72.2%	34,821	142.56	6,746,258	72.0%	37,689	145.79	6,649,356	71.1%	36,737	147.61	6,795,550	71.6%	37,544	153.52	6,963,806	72.0%	38,474	159.71
Other Operated Departments - Combined	734,892	79.9%	4,106	16.81	879,488	80.9%	4,913	19.01	824,448	78.4%	4,555	18.30	843,678	78.7%	4,661	19.06	865,709	79.0%	4,783	19.85
Miscellaneous Income Expense	128,956	9.0%	720	2.95	157,533	9.9%	880	3.40	135,031	8.9%	746	3.00	137,974	8.9%	762	3.12	141,364	9.0%	781	3.24
Total Departmental Expenses	**9,760,888**	**45.7%**	**54,530**	**223.25**	**10,685,763**	**46.5%**	**59,697**	**230.93**	**10,402,703**	**45.5%**	**57,473**	**230.93**	**10,621,399**	**45.6%**	**58,682**	**239.96**	**10,874,009**	**45.9%**	**60,077**	**249.39**
Departmental Income (Loss)	**11,597,242**	**54.3%**	**64,789**	**265.26**	**12,295,174**	**53.5%**	**68,688**	**265.71**	**12,462,938**	**54.5%**	**68,856**	**276.66**	**12,677,088**	**54.4%**	**70,039**	**286.40**	**12,816,922**	**54.1%**	**70,812**	**293.95**
Undistributed Operating Expenses																				
Administrative & General - Combined	2,101,589	9.8%	11,741	48.07	2,253,822	9.8%	12,591	48.71	2,203,344	9.6%	12,173	48.91	2,258,616	9.7%	12,479	51.03	2,318,862	9.8%	12,811	53.18
Information & Telecommunications Systems	279,001	1.3%	1,559	6.38	304,676	1.3%	1,702	6.58	291,600	1.3%	1,611	6.47	299,159	1.3%	1,653	6.76	307,536	1.3%	1,699	7.05
Marketing - Combined	1,347,273	6.3%	7,527	30.82	1,491,646	6.5%	8,333	32.24	1,426,796	6.2%	7,883	31.67	1,461,993	6.3%	8,077	33.03	1,500,022	6.3%	8,287	34.40
Utility Costs	381,674	1.8%	2,132	8.73	431,496	1.9%	2,411	9.33	398,445	1.7%	2,201	8.85	408,941	1.8%	2,259	9.24	420,664	1.8%	2,324	9.65
Property Operation & Maintenance - Combined	856,323	4.0%	4,784	19.59	952,849	4.1%	5,323	20.59	902,179	3.9%	4,984	20.03	924,060	4.0%	5,105	20.88	947,485	4.0%	5,235	21.73
Total Undistributed Operating Expenses	**4,965,860**	**23.3%**	**27,742**	**113.58**	**5,434,489**	**23.6%**	**30,360**	**117.44**	**5,222,364**	**22.8%**	**28,853**	**115.93**	**5,352,770**	**23.0%**	**29,573**	**120.93**	**5,494,570**	**23.2%**	**30,357**	**126.01**
Income After Undistributed Operating Expenses	**6,631,382**	**31.0%**	**37,047**	**151.67**	**6,860,685**	**29.9%**	**38,328**	**148.27**	**7,240,574**	**31.7%**	**40,003**	**160.73**	**7,324,318**	**31.4%**	**40,466**	**165.47**	**7,322,353**	**30.9%**	**40,455**	**167.93**
Fixed Charges																				
Management Fee	640,413	3.0%	3,578	14.65	689,425	3.0%	3,852	14.90	685,969	3.0%	3,790	15.23	698,955	3.0%	3,862	15.79	710,728	3.0%	3,927	16.30
Property Taxes	155,422	0.7%	868	3.55	162,295	0.7%	907	3.51	787,435	3.4%	4,350	17.48	803,184	3.4%	4,437	18.15	819,248	3.5%	4,526	18.79
Insurance	353,592	1.7%	1,975	8.09	458,424	2.0%	2,561	9.91	372,860	1.6%	2,060	8.28	382,996	1.6%	2,116	8.65	394,486	1.7%	2,179	9.05
Reserve for Replacement	854,325	4.0%	4,773	19.54	919,237	4.0%	5,135	19.87	914,626	4.0%	5,053	20.30	931,939	4.0%	5,149	21.05	947,637	4.0%	5,236	21.73
Other	32,298	0.2%	180	0.74	51,790	0.2%	289	1.12	51,790	0.2%	286	1.15	53,344	0.2%	295	1.21	54,944	0.2%	304	1.26
Total Fixed Charges	**2,036,050**	**9.5%**	**11,375**	**46.57**	**2,281,171**	**9.9%**	**12,744**	**49.30**	**2,812,680**	**12.3%**	**15,540**	**62.44**	**2,870,418**	**12.3%**	**15,859**	**64.85**	**2,927,043**	**12.4%**	**16,172**	**67.13**
Ground Rent	464,373	2.2%	2,594	10.62	-	0.0%	-	0.00	457,313	2.0%	2,527	10.15	465,970	2.0%	2,574	10.53	473,819	2.0%	2,618	10.87
Hotel Cash Flow	**4,130,959**	**19.3%**	**23,078**	**94.48**	**4,579,514**	**19.9%**	**25,584**	**98.97**	**3,970,581**	**17.4%**	**21,937**	**88.14**	**3,987,930**	**17.1%**	**22,033**	**90.10**	**3,921,491**	**16.6%**	**21,666**	**89.94**
NOI Adjusted for 3% Management and 4% Reserves	**4,130,628**	**19.3%**	**23,076**	**94.48**	**4,579,510**	**19.9%**	**25,584**	**98.97**												

Capitalization and Discount Rates

Capitalization is defined as the process of converting a series of anticipated future periodic installments of net income into present value. The anticipated net income stream is converted into a value opinion by a rate that attracts capital to purchase investments with similar characteristics, such as risk, terms and liquidity. The capitalization process takes into consideration the quantity, quality and durability of the income stream in determining which rates are appropriate for valuing the subject hotel.

Discounted cash flow analysis can be used to develop an opinion of present value of an income stream. Periodic cash flows and the projected reversion amount at the end of a holding period are discounted at an appropriate rate. Our analysis refers to an all-cash purchase. The following text details our analysis.

Based upon our knowledge of current investment returns required by typical hotel investors, along with factors affecting investment risk specific to the subject property, we employed a reversionary capitalization rate of 7.00 percent (8.25 percent when loaded with the real estate tax rate) for the subject property.

The discount rate is the rate of return which equals the sum of the real return anticipated in the investment plus a change in value and any risk premiums associated with the specific investment when compared to alternative investments. It is the average annual rate of return necessary to attract capital based upon the overall investment characteristics.

The discount rate selection requires the appraiser to interpret the attitudes and expectations of market participants. Discount rates are partly a function of perceived risks. Risk is a function of general economic conditions and characteristics of the investment. The critical elements of an investment include the quantity and certainty of gross income, operating expenses, and resultant net income over some future time period. Value is a reflection of future income expectations and such elements are risky.

A determination of the proper discount and capitalization rates for the subject involved speaking with investors and brokers of hotel properties throughout the country, discussing investment parameters with other hospitality industry experts, and considering the results of several published investment surveys.

The investor surveys summarized in the following table have been used in our selection of the appropriate discount and terminal capitalization rates for the subject hotel. It should be noted that the surveys often lag the market and are not always a true representation of current return requirements. This is especially true in the current landscape as there are very few recent transactions to gauge. While the data is not perfect, it is generally relied upon by investors in the market and will be used in this analysis.

Hotel Investor Survey								
	Discount Rate		*Overall Cap Rate*		*Residual Cap Rate*			
Type	*Range*	*Average*	*Range*	*Average*	*Range*	*Average*
PwC Hotels						
Luxury/Upper-Upscale						
Q3 2019	6.25% - 13.00%	9.55%	4.00% - 9.50%	7.05%	5.50% - 9.50%	7.33%
Q12019	6.25% - 13.00%	9.55%	4.00% - 9.00%	7.05%	5.50% - 9.50%	7.33%
Q3 2018	6.25% - 12.00%	9.45%	4.00% - 9.00%	7.05%	5.50% - 9.50%	7.33%
Q1 2018	6.50% - 12.00%	9.50%	4.00% - 9.00%	7.05%	5.50% - 9.50%	7.23%
Q3 2017	6.50% - 12.00%	9.53%	4.00% - 9.00%	7.03%	5.00% - 9.50%	7.18%
Full Service						
Q3 2019	8.00% - 11.00%	9.90%	6.00% - 9.00%	7.43%	7.00% - 10.00%	8.25%
Q12019	8.00% - 11.00%	9.70%	6.00% - 9.00%	7.43%	7.00% - 10.00%	8.25%
Q3 2018	8.00% - 13.00%	10.20%	6.00% - 10.00%	7.73%	7.00% - 10.00%	8.35%
Q1 2018	8.00% - 13.50%	10.33%	6.00% - 10.00%	7.73%	7.00% - 10.00%	8.35%
Q3 2017	8.00% - 13.00%	10.19%	6.00% - 10.00%	7.85%	7.00% - 10.00%	8.44%
Limited Service*						
Q3 2019	8.00% - 14.00%	10.55%	7.50% - 12.00%	9.15%	7.75% - 12.00%	9.48%
Q12019	8.50% - 14.00%	10.80%	7.50% - 11.00%	9.05%	7.75% - 12.00%	9.53%
Q3 2018	8.50% - 13.00%	10.50%	7.50% - 11.00%	9.15%	7.75% - 11.00%	9.38%
Q1 2018	8.50% - 13.00%	11.00%	7.50% - 11.00%	9.15%	7.75% - 11.00%	9.78%
Q3 2017	8.50% - 13.00%	11.00%	7.50% - 11.00%	9.08%	7.75% - 11.00%	9.83%
Select Service**						
Q3 2019	8.00% - 12.00%	10.30%	6.00% - 10.00%	8.31%	7.00% - 10.00%	8.45%
Q12019	8.00% - 12.00%	10.10%	7.00% - 10.00%	8.31%	7.00% - 10.00%	8.45%
Q3 2018	8.00% - 11.00%	9.55%	7.00% - 10.00%	8.50%	7.00% - 10.00%	8.75%
Q1 2018	7.50% - 12.00%	9.90%	6.50% - 10.00%	8.56%	7.00% - 10.75%	8.93%
Q3 2017	8.00% - 12.00%	10.20%	6.50% - 10.00%	8.70%	7.00% - 10.75%	9.08%

** Limited Service includes midscale and economy lodging with rooms only*

*** Select Service includes upscale and upper-midscale lodging with rooms only.*

Source: PwC Real estate Investor Survey - Q3 2019

Hotel Investor Survey						
	Pre-Tax Yield (IRR)		*Going-In Cap Rate*		*Terminal Cap Rate*	
Type	*Range*	*Average*	*Range*	*Average*	*Range*	*Average*
RERC						
First-Tier Properties*						
West	8.00% - 10.00%	9.10%	6.00% - 8.50%	7.20%	6.80% - 8.50%	7.90%
Midwest	5.50% - 10.80%	8.90%	6.50% - 8.00%	7.50%	7.50% - 9.00%	8.10%
South	7.80% - 10.50%	9.00%	5.50% - 8.50%	7.40%	6.00% - 9.50%	8.00%
East	9.00% - 10.00%	9.70%	6.30% - 9.50%	8.30%	6.40% - 10.00%	8.60%
Second-Tier Properties**						
West	8.50% - 10.50%	9.60%	7.00% 8.50%	8.00%	7.50% 9.00%	8.60%
Midwest	8.50% - 11.10%	10.00%	6.50% 9.50%	8.30%	7.00% 10.90%	9.00%
South	8.00% - 13.00%	9.70%	6.00% 10.00%	8.20%	6.50% 12.00%	9.10%
East	9.50% - 11.50%	10.30%	5.40% 10.50%	8.60%	9.00% 10.50%	9.50%
Third-Tier Properties***						
West	9.50% - 12.00%	10.30%	7.50% - 10.00%	8.60%	8.50% - 10.50%	9.30%
Midwest	8.50% - 12.50%	10.60%	7.00% - 10.80%	9.20%	8.50% - 11.30%	10.10%
South	8.50% - 12.00%	10.20%	8.00% - 10.00%	9.10%	8.50% - 11.00%	9.60%
East	7.60% - 12.00%	10.60%	8.50% - 10.50%	9.50%	6.90% - 11.00%	9.80%

** First-tier investment properties are defined as new or newer quality construction in prime to good locations*

*** Second-tier investment properties are defined as aging, former first-tier properties, in good to average locations*

****Third-tier investment properties are defined as older properties with functional inadequacies and/or in marginal locations*

Source: Situs RERC Investment Survey - Q4 2018

Our analysis of applicable terminal capitalization and discount rates for the subject property specifically considered the building type and condition, the current local hotel market conditions, estimated future trends in the local and national market for transient accommodations, and current investor considerations and required returns on investment for similar investments in limited-service hotels where the fee simple interest is being conveyed.

Several factors have been considered in the overall discount rate and reversionary rate selection.

Factors suggesting a lower rate of risk include:

- The subject is well located with good access from major local and regional roadways as well as proximate to numerous retail centers and restaurants;
- The improvements are in very good condition. Further, the structure and base components are of quality build;
- The subject is affiliated with the Ace Hotel brand and benefits from its strong following and reservation system.

Factors suggesting a higher rate of risk include:

- The subject is on leased land, which is less desirable to some buyers;
- California is raising its minimum wage to $15.00 by 2022, this will lead to some increase in labor costs if efficiencies cannot be realized;
- There is uncertainty of the market in the future with significant new supply proposed throughout the greater Palm Springs area;
- Any unforeseen events (i.e. supply additions and weak economy) could alter our estimated RevPAR and NOI moving forward.

In the PwC Hotel Investor Survey presented previously, discount rates for luxury/upper-upscale hotels ranged from 6.50 percent to 12.00 percent with an average of 9.50 percent. Based on the subject's location, amenities offered, current condition, complementary demand generators, positioning in the market and the encumbered nature of the asset, we believe a discount rate of 9.00 percent is appropriate.

In the PwC Hotel Investor Survey, residual capitalization rates for luxury/upper-upscale hotels ranged from 5.50 percent to 9.50 percent with an average of 7.23 percent. We used a terminal capitalization rate of 7.00 percent considering the location and condition of the subject, outlook of economic conditions, and investor sentiment.

Discounted Cash Flow – As Is as of December 31, 2019

Ace Hotel & Swim Club Palm Springs - Palm Springs, CA
DCF Analysis

Assumptions	
Discount Rate	9.00%
Residual Cap Rate	8.25%
Cost of Sale	2.0%
Hold Period (Years)	10
Reversion Year +	1

Reversion Calculation (10Y)	
Year 11 CF:	6,005,219
Gross Reversion:	72,832,468
Cost of Sale:	(1,456,649)
Net Reversion:	71,375,819
Stabilized Year:	3

Returns (10Y)	
PV of Cash:	27,180,833
PV of Reversion:	30,149,917
Avg Annual Cash on Cash	7.52%
CF % of Yield:	47.44%
Reversion % of Yield:	52.62%

Analysis Year	Year	Fiscal Year End	Net Cash Flow	Net Reversion	Adjustments	Undiscounted CF	Discount Factor	Discounted CF	% of Yield	Annual Cash on Cash Return
0	2019	12/31/2019			-	-	1.00000	-	0.00%	NA
1	2020	12/31/2020	3,970,581	-	-	3,970,581	0.91743	3,642,735	6.36%	6.93%
2	2021	12/31/2021	3,987,930	-	-	3,987,930	0.84168	3,356,561	5.86%	6.96%
3	2022	12/31/2022	3,921,491	-	-	3,921,491	0.77218	3,028,110	5.28%	6.84%
4	2023	12/31/2023	4,047,343	-	-	4,047,343	0.70843	2,867,240	5.00%	7.06%
5	2024	12/31/2024	4,190,914	-	-	4,190,914	0.64993	2,723,806	4.75%	7.31%
6	2025	12/31/2025	4,310,989	-	-	4,310,989	0.59627	2,570,502	4.49%	7.52%
7	2026	12/31/2026	4,448,872	-	-	4,448,872	0.54703	2,433,685	4.25%	7.76%
8	2027	12/31/2027	4,591,217	-	-	4,591,217	0.50187	2,304,177	4.02%	8.01%
9	2028	12/31/2028	4,753,561	-	-	4,753,561	0.46043	2,188,671	3.82%	8.30%
10	2029	12/31/2029	4,889,424	71,375,819	-	76,265,243	0.42241	32,215,263	56.22%	133.10%
Reversion NOI:			6,005,219		Total:	114,488,139		**$57,300,000**	100.00%	
								$320,000	Per Room	

		Value, Overall Rate, Value per Room				
		Exit Cap Rate				
		7.75%	8.00%	8.25%	8.50%	8.75%
Discount Rate	8.50%	$61,421,121 6.46% $339,343	$60,370,297 6.58% $333,538	$59,383,195 6.69% $328,084	$58,454,191 6.79% $322,951	$57,578,302 6.90% $318,112
	8.75%	$60,336,775 6.58% $333,352	$59,309,860 6.69% $327,679	$58,345,217 6.81% $322,349	$57,437,350 6.91% $317,333	$56,581,389 7.02% $312,604
	9.00%	$59,277,099 6.70% $327,498	$58,273,495 6.81% $321,953	$57,330,750 6.93% $316,744	$56,443,492 7.03% $311,842	$55,606,962 7.14% $307,221
	9.25%	$58,241,453 6.82% $321,776	$57,260,579 6.93% $316,357	$56,339,187 7.05% $311,266	$55,472,024 7.16% $306,475	$54,654,441 7.26% $301,958
	9.50%	$57,229,216 6.94% $316,184	$56,270,508 7.06% $310,887	$55,369,937 7.17% $305,911	$54,522,370 7.28% $301,229	$53,723,262 7.39% $296,814

Direct Capitalization

Direct capitalization is a method used to convert an opinion of a single year's income expectancy into an indication of value. The single year's income is typically designed to reflect a subject property's stabilized level of operation and revenue potential. The conversion into a value indication is accomplished in one direct step by dividing the income by an appropriate capitalization rate.

The following table illustrates overall capitalization rates for the subject property that have been derived based on our opinion of value via the discounted cash flow method. Note that the stabilized year's net income has been deflated to first projection year dollars at the underlying 3.0 percent inflation rate.

Note the implied overall capitalization rates below have been derived from the As Is value conclusion:

Implied Overall Capitalization Rates		
	NOI	*Capitalization Rate*
Year End 2019 - Adjusted	$3,615,904	6.31%
Trailing 12 Months - Adjusted	$4,130,628	7.21%
Year One	$3,970,581	6.93%
Completed Year	$3,970,581	6.93%
Stabilized Year	$3,921,491	6.84%
Stabilized Year Deflated to Year One	$3,696,381	6.45%

Note that the year-end and trailing 12 months net operating income reflect a management fee of 3.0 percent of total revenue and reserves for replacement of 4.0 percent of total revenue.

The stabilized and stabilized deflated implied rates appear to be market-oriented and typical for stabilized hotel operations' rates of return, for a hotel such as the subject in Palm Springs. Given the subject's location, age, condition, full service product-type, level of fit & finish, and competitive market, positioning of the asset, the implied capitalization rates are considered to be within a reasonable range.

Conclusion via Income Capitalization Approach

Applying a 9.00 percent discount rate and an 8.25 percent loaded terminal capitalization rate to the subject's projected income stream, the indicated value of the leasehold interest in the subject property, in its as is condition, and subject to the assumptions, limiting conditions, certification and definitions, as of December 31, 2019, is $57,300,000, or approximately $320,000 per key.

Sales Comparison Approach

The sales comparison approach is used to estimate the value of real estate by comparing recent sales of similar properties in the surrounding or competing area to the subject property. Inherent in this approach is the principle of substitution. The approach is applicable when an active market provides sufficient quantities of reliable data that can be verified from authoritative sources. The comparative process involves judgment as to the similarity of the subject and the comparable sales.

In the case of hotel properties, comparisons among hotels can be very difficult given the unique characteristics of each property. Hotels represent not only real estate but are also businesses that are often difficult to compare. Hotels can differ by physical characteristics, market orientation, management affiliation, reputation, operating characteristics, locality, and other factors. As such direct comparison of hotel sales is usually considered a secondary approach. Additionally, different investors perceive hotels as valuable for different reasons; for example, they may look for:

1. *An immediate return of cash flow through re-flagging or new management;*
2. *The establishment of a long-term presence in a market where they are under-represented;*
3. *Upscale/Trophy hotel ownership to establish a high profile;*
4. *A perceived bargain relative to cost; and,*
5. *Management fees in addition to cash flow.*

In the case of the subject, the direct sales comparison approach is utilized as a guide to suggest a reasonable range of values of the subject hotel. The value of the subject hotel development is derived primarily from the income capitalization approach.

As noted earlier, growth in the lodging market due to the improving health of the economy has resulted in optimism among hoteliers and industry experts who expect hotel values to remain stable, if not increase, during the next few years. Lending for hotel transactions virtually disappeared from the end of 2008 through 2009 due to the rapid decline in property values. Transactions that were completed were most often completed as all-cash deals or were completed with significantly higher loan-to-value ratios. As the market improved, the lending economics have become more favorable to buyers and hotel sale transactions have reached peak levels on a per room basis.

Methodology

In the Sales Comparison Approach, the value of a hotel is developed by comparing it with similar, recently sold hotel properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value emphasizes the physical elements of the subject in conjunction with income. For hotels, price per room is the most common unit of comparison. We have identified and researched sales of hotels throughout Southern California. In light of today's economic climate, only sales after October 1, 2015 were researched. The table below summarizes relevant transactions that were reportedly single asset, arms-length sales, unless otherwise indicated. Note that none of these are leasehold sales.

Select Hotel Sales									
Date	**Property Name**	**Address**	**City**	**State**	**Units**	**Year Built**	**Price**	**Per Room**	**Cap Rate**
Oct-19	Courtyard by Marriott LAX	6161 W Century Blvd	Los Angeles	CA	179	1993	$50,000,000	$279,330	
Nov-19	Ace Hotel	927 S Broadway	Los Angeles	CA	182	1927	$117,000,000	$642,857	
Sep-19	Hilton Checkers Los Angeles	535 S Grand Ave	Los Angeles	CA	188	1920	$53,660,562	$285,429	
Jul-19	Residence Inn Pasadena	321 E Huntington Dr	Arcadia	CA	120	1989	$32,000,000	$266,667	
Jun-19	Homewood Suites by Hilton	2010 S Harbor Blvd	Anaheim	CA	214	2015	$73,200,000	$342,056	
Jun-19	Newport Beach Marriott Bayview	500 Bayview Cir	Newport Beach	CA	254	1988	$78,000,000	$307,087	8.8%
Apr-19	Hampton Inn Santa Barbara	5665 Hollister Ave	Goleta	CA	101	2007	$28,550,000	$282,673	7.3%
Mar-19	Marriott San Diego Mission Valley	8757 Rio San Diego Dr	San Diego	CA	353	1988	$85,700,000	$242,776	9.2%
Feb-19	Hyatt Place Los Angeles/LAX/El Segundo	750 N Nash St	El Segundo	CA	143	2012	$44,500,000	$311,189	
Dec-18	Coral Sands Motel	1730 N Western Ave	Los Angeles	CA	60	1947	$16,500,000	$275,000	
Dec-18	Mama Shelter LA	1557 N Wilcox Ave	Los Angeles	CA	70	1926	$24,500,000	$350,000	8.7%
Oct-18	Hyatt House Irvine/John Wayne Airport	2320 Main St	Irvine	CA	149	2016	$42,100,000	$282,550	
Oct-18	Courtyard By Marriott	3841 N Lakewood Blvd	Long Beach	CA	159	2012	$47,954,500	$301,601	5.8%
Aug-18	Hampton Inn Carlsbad	2229 Palomar Airport Rd	Carlsbad	CA	94	2007	$22,725,000	$241,755	
Aug-18	Azul Inn West Los Angeles	10740 Santa Monica Blvd	Los Angeles	CA	56	1956	$17,000,000	$303,571	
Jul-18	Hyatt Santa Barbara	1111 E Cabrillo Blvd	Santa Barbara	CA	200	1931	$90,000,000	$450,000	5.4%
Jul-18	Doubletree Westside	6107 Sepulveda Blvd	Culver City	CA	368	1972	$151,500,000	$411,685	
May-18	Wine Valley Inn	1564 Copenhagen Dr	Solvang	CA	63	1962	$15,875,000	$251,984	
Apr-18	Hotel MdR Marina del Rey	13480 Maxella Ave	Los Angeles	CA	283	1976	$126,950,000	$448,587	
Jan-18	Temecula Creek Inn	44501 Rainbow Canyon Rd	Temecula	CA	127	1970	$46,690,000	$367,638	
Sep-17	Wyndham Santa Monica At the Pier	120 Colorado Ave	Santa Monica	CA	132	1966	$39,325,503	$297,920	
Aug-17	Hyatt Regency Westlake Plaza	880 S Westlake Blvd	Thousand Oaks	CA	262	1983	$63,000,000	$240,458	
Jul-17	DoubleTree LAX	1985 E Grand Ave	El Segundo	CA	215	1987	$54,100,000	$251,628	8.3%
May-17	Embassy Suites Anaheim Orange	400 N State College Blvd	Orange	CA	230	1989	$56,500,000	$245,652	6.2%
Apr-17	Palihotel Westwood	1044 Tiverton Ave	Los Angeles	CA	53	1939	$12,250,000	$231,132	
Mar-17	AC Hotel by Marriott	3309 Michelson Dr	Irvine	CA	176	2017	$53,675,000	$304,972	
Mar-17	Homewood Suites by Hilton Aliso Viejo	110 Vantis Dr	Aliso Viejo	CA	129	2016	$38,000,000	$294,574	8.1%
Feb-17	Hotel Wilshire	6317 Wilshire Blvd	Los Angeles	CA	74	1950	$36,000,000	$486,486	7.7%
Jan-17	Santa Anita Inn	130 W Huntington Dr	Arcadia	CA	109	1955	$47,000,000	$431,193	

Analysis of Comparable Sales

The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable improved sales. These sales were chosen based upon similar segmentation, markets and branding. All sales were considered an arm's-length transaction and required no adjustments for financing terms or conditions of sale. We have indicated and described the following relevant sales in further detail:

1. In November 2019, the **Ace Hotel,** located in downtown Los Angeles, CA, was sold for approximately $117,000,000, or $642,847 per key. The seller in the transaction was Park Hotels & Resorts and the buyer was not disclosed. Located at 929 S. Broadway, the building was first built in 1927 as a film studio backed by film stars like Mary Pickford, Douglas Fairbanks, Charlie Chaplin and DW Griffith. The use of the theater building shifted towards a Spanish movie house before being designated as a church that was used as a broadcasting site for televangelist Gene Scott. The historic property became a hotel officially in early 2014 and was then purchased by Park Hotels & Resorts from Greenfield Partners for $103 million, according to a report by the Los Angeles Times.

2. In April 2018, the **Hotel MdR Marina del Rey**, located in Los Angeles, CA, was sold for approximately $126,950,000, or $448,587 per key. The seller in the transaction was Channel West Group, Arris Investments, and Lubert-Adler and the buyer was London + Regional Properties. The hotel was built in 1976 and contains 283 guestrooms. The cap rate on this transaction was 6.6% based on trailing-twelve NOI.

3. In August of 2017 the 216-room ***Everly Hotel*** in Los Angeles was purchased by HausInvenst from KHP Cap Partners for $102,500,000, or $474,537 per room. Located at 1800 Argyle Avenue in

Hollywood, the hotel recently opened. The hotel is being operated by Kimpton. It features a fifth-floor pool deck.

4. In June of 2017 the 109-room ***Pacific Edge Hotel*** in Laguna Beach was purchased by Highgate Holdings (in a joint-venture with Morgan Stanley) from Westport Capital for $57,500,000, or $528,000 per room. Located at 647 South Coast Highway, the Art Deco hotel was built in 1952 and reportedly was last renovated in 2013. The Pacific Edge Hotel is located in the heart of downtown Laguna Beach, overlooking the Pacific Ocean. The property features two oceanfront food and beverage outlets, including Driftwood Kitchen and The Deck. Unique to the property is five stylized oceanfront bungalows, utilized for indoor and outdoor daytime spaces that offer a unique beach experience and social gathering place. Additionally, the hotel offers over 4,000 square feet of meeting space, two outdoor heated pools and whirlpools, and direct beach access.

5. In March of 2017 the 176-room ***Marriott AC*** Hotel was purchased by Pacific Hospitality Group from Woodbine Development and USAA for $53,700,000, or $304,972 per room. This property is located in Irvine, CA and was purchased just prior to opening. The hotel is located at the Park Place development and features a pool and 1,500 square feet of meeting space. The first floor features a Mexican street-food style restaurant.

6. In February 2017, the **Kimpton Hotel Wilshire**, located in Los Angeles, CA, was sold for approximately $36,000,000, or $486,486 per key. The seller in the transaction was KHP Cap Partners and the buyer was OSM Investment. The hotel was built in 1950 and contains 74 guestrooms. The sale is considered comparable given the similarities in location, demand base, amenities, facilities, and product-type. The cap rate on this transaction was reported at 7.7%.

The Sales Comparison Approach is difficult to apply in the case of complex hotel properties because of the numerous differences between the subject and comparable sales. Some of the differences between the comparable sales and the subject property can often include location and accessibility, size, services and facilities offered, market conditions, chain affiliation, market orientation, management, rate structure, age, physical condition, date of sale, the highest and best use of the land, and the anticipated profitability of the operation. Circumstances surrounding a sale, including financing terms, tax considerations, income guarantees, sales of partial interests, duress on the part of the buyer or seller, or a particular deal structure, result in disparities between the actual sales price and pure market value. Additionally, it is usually very difficult to obtain the marketing period, and an accurate capitalization rate, for the comparable sales. In practice, it is virtually impossible to quantify the appropriate adjustment factors accurately because of their number and complexity, as well as the difficulty in obtaining specific, detailed information. Any attempt to manipulate the necessary adjustments is insupportable and purely speculative.

Because an appraiser is expected to reflect the analytical processes and actions of typical buyers and sellers rather than to create an insupportable and highly subjective valuation approach, the investment rationale of hotel owners is an essential consideration. As specialists in the valuation of hotels, we find that typical buyers and sellers purchase properties based upon a thorough analysis of anticipated future economic benefits of property ownership rather than on historical sales data. The Sales Comparison Approach should therefore be used to provide a general range of values that will serve as a check against the value indicated by the Income Capitalization Approach.

In appraising lodging facilities, it is often difficult to find an adequate number of recent sales that are truly comparable to the subject property. Although it is often necessary to consider comparable sales outside the subject property's market area, the resulting adjustments greatly diminish the reliability of the conclusions. Most observers of hotel transactions are unable to determine the true motivations of the buyers and sellers. Acquiring a hotel often represents a highly ego-driven process where many external, non-market factors influence the purchase price. Unless the appraiser can quantify these influences, there is no way of knowing whether the purchase price paid actually reflects market value.

Finally, when appraising hotels, the degree of comparability between the subject property and a comparable sale is usually so diverse that many subjective and unsubstantiated adjustments are required. Each adjustment represents a potential for error and thereby diminishes the reliability of this approach. As a result of these shortcomings, the use of the Sales Comparison Approach in valuing hotels is primarily limited to checking the value indicated by the Income Capitalization Approach.

Conclusion via Sales Comparison Approach

Based on the array of data presented and considering the subject property's construction, size, leasehold position, and location of the subject property, as well as the Income Capitalization Approach conclusion of $57,300,000, or approximately $320,000, LWHA® projects that the as is value via Sales Comparison Approach ranges from approximately $304,000 - $336,000 per key, for a total consideration ranging from $54,400,000 - $60,200,000.

Reconciliation

We considered the Income Capitalization and Sales Comparison approaches to value. The results are as follows:

Income Capitalization Approach	
As Is	$57,300,000, or $320,000 per key
Sales Comparison Approach	$54,400,000 - $60,200,000, or $304,000 - $336,000 per key

In our valuation of the subject property, we relied primarily on the Income Capitalization Approach to value utilizing a discounted cash flow method. The Sales Comparison Approach was applied and is considered to provide reasonable support to the conclusion of the Income Capitalization Approach.

In our Income Capitalization Approach to value, the subject property has been valued by analyzing the local market for transient accommodations and developing a projection of income and expense that reflects the current and future anticipated income and expense trends over a ten-year holding period. The net income is then capitalized and discounted to the date of value by an appropriate internal rate of return through a discounted cash flow analysis. Implied direct capitalization rates were also illustrated.

The Sales Comparison Approach reflects an opinion of value as indicated by the actual sales of hotels. In this approach, we searched the regional and national market for transactions of similar property types. Several sales of major hotels were examined, and this approach was useful in providing value parameters to bracket the value concluded to by the Income Capitalization Approach.

The Cost Approach estimates market value by computing the cost of replacing the property and subtracting any depreciation resulting from physical deterioration, functional obsolescence, and external (or economic) obsolescence. The value of the land, as if vacant and available, is then added to the depreciated value of the improvements for a total value estimate. The Cost Approach is most reliable for estimating the value of new properties; however, as the improvements deteriorate, and market conditions change, the resultant loss in value becomes increasingly difficult to quantify accurately. Moreover, our experience with hotel investors shows that this group of buyers and sellers relies upon the methods of the income approach (as well as a review of sales data) when making decisions; the cost approach generally does not play a significant role. Considering such factors, we do not consider the Cost Approach to be appropriate for the valuation of the subject property.

Careful consideration has been given to the strengths and weaknesses of the three approaches to value discussed above. In recognition of the purpose of this appraisal, we have given primary weight to the value indicated by the Income Capitalization Approach and utilized the Sales Comparison Approach as a check for reasonableness.

As Is Market Value

As a result of our analysis, we are of the opinion that the market value of the leasehold interest of the subject hotel property, in its as is condition and subject to the assumptions and limiting conditions, certification and definitions, and extraordinary assumptions and hypothetical conditions, if any, as of December 31, 2019, is:

FIFTY SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
$57,500,000 or $321,000 per room

Allocation of Market Value As Is		
Real Property	$54,367,500	95%
Personal Property	$3,132,500	5%
Business Value	$0	0%
Total	**$57,500,000**	**100%**

The opinion of value includes the the improvements and the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational. The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to the future behavior of consumers and the general economy, which are highly uncertain. However, it is inevitable that some assumptions will not materialize, and unanticipated events may occur that will cause actual achieved operating results to differ from the financial analyses contained in this report and these differences may be material. Therefore, while our analysis was conscientiously prepared on the basis of our experience and the data available, we make no warranty that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results may depend.

We did not ascertain the legal, engineering, and regulatory requirements applicable to the property, including zoning and other state and local government regulations, permits and licenses. No effort has been made to determine the possible impact on the property of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof. With respect to the market demand analysis, our work did not include analysis of the potential impact of any significant rise or decline in local or general economic conditions.

We believe, based on the assumptions employed in our cash flow, as well as our selection of investment parameters for the subject, that the value conclusion represents a market price achievable within 6 to 12 months exposure prior to the date of value.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the last day of our fieldwork, January 3, 2020.

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions. We particularly call your attention to the extraordinary assumptions and hypothetical conditions listed below.

Extraordinary Assumptions

Extraordinary Assumptions are assumptions which if found to be false could alter the resulting opinion or conclusion.

- This appraisal assumes that the subject property will continue to operate as an Ace Hotel throughout the projection period.

If any of the aforementioned assumptions prove untrue, it may have an impact on our concluded opinion(s) of value. We reserve the right to amend our conclusions herein upon receipt of any additional information.

Hypothetical Conditions

Hypothetical Conditions are assumptions made contrary to fact, but which are assumed for the purpose of discussion, analysis, or formulation of opinions.

- This appraisal employs no hypothetical conditions.

Marketing Period

The preceding opinion of market value is based upon a forecast marketing period of approximately 6 to 12 months, which we believe (through conversations with area hotel/motel investment brokers) to be reasonably representative for the properties such as the subject at this time.

Personal Property Allocation

Included in the above estimate of market value is the contributing value of the personal property at the subject property, or the furnishings, fixtures and equipment (FF&E). FF&E is generally considered to be part of the hotel property and is typically sold with the building. It is therefore considered to be a part of the property's total value. FF&E includes the hotel's guest room and public area furnishings, kitchen equipment, service/maintenance equipment and other machinery.

Based on our review of the subject, we conclude that the value of the FF&E as new is approximately $25,000 per unit, for a total replacement cost of $4,475,000. Although hotel FF&E typically have a useful life of five to ten years, depreciation of these assets occurs at a much faster rate than straight-line and depreciate to some degree immediately upon being placed into service.

The property is in very good condition. We conclude that the contributory value of the subject's FF&E would be no more than 70 percent of cost. Therefore, the contributory value of the FF&E is estimated to be $3,132,500.

Business Value (Going Concern)

Hotels are undisputedly a combination of business and real estate; the day-to-day operation of a hotel represents a business over and above the real estate value. Numerous theories have been developed in an attempt to isolate the business component of a hotel. When hotels were routinely leased to hotel operators, separating the income and value attributable to each component was a simple matter. However, during the 1970s, the hotel property lease was replaced with the hotel management contract.

It is widely accepted today that managing agents are hired by hotel owners to operate a property in return for a management fee. The fee is paid to the operator as an operating expense, and what remains is net

income available to pay debt service and generate a return on the owner's equity. Purchasers of hotels as real estate investments are able to passively own the property by employing a managing agent, as was the case with the property lease in earlier years.

The real and personal property components of the subject property have already been valued in this appraisal and any business component has been accounted for through the deduction of market rate management and franchise fees. By making these deductions, we believe that there is no business value included in our conclusion of market value.

Certification of the Appraisal

I certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I previously appraised the subject property in 2017 and 2018. Other than this, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Mark Lukens, MAI made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person(s) signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Mark Lukens, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
14. As of the date of this report, Mark Lukens, MAI has completed the Standards and Ethics Education Requirements for the Code of Professional Ethics of the Appraisal Institute.



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Addendum

APPRAISAL REPORT

OF THE

Ace Hotel New York

20 West 29th Street
New York, New York County, New York 10001

Prepared For

GFI Real Estate Limited

Mr. William M. Barrett
Chief Financial Officer
GFI Capital Resources Group, Inc.
140 Broadway, 41st Floor
New York, NY 10005

LWHA® Job No.: 20-NY-005A

LWHA®
LW HOSPITALITY ADVISORS



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March 19, 2020

Mr. William M. Barrett
Chief Financial Officer
GFI Capital Resources Group, Inc.
140 Broadway, 41st Floor
New York, NY 10005

Re: Appraisal of the Ace Hotel New York
20 West 29th Street
New York, New York County, New York 10001

LWHA® Job No.: 20-NY-005A

Dear GFI Real Estate Limited,

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above-captioned property in an appraisal report dated March 19, 2020. The effective date of value is December 31, 2019.

This is an Appraisal Report that is intended to comply with the reporting requirements set forth und Standards Rule 2-2 of USPAP and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, the definition of value in this appraisal fits the definition of Fair Value as defined in IFRS 13 and IAS 16.

The depth of analysis discussed in this report is specific to the needs of the client and for the intended use.

We consent to use of the appraisal in its entirety for filing of GFI Real Estate Limited's financial statements with the ISA. LWHA® gives full consent to the inclusion of the appraisal report in its entirety within the Client's public reports to be published in the Tel Aviv Stock Exchange.

The Client for this engagement is GFI Real Estate Limited. This appraisal is performed **strictly** for financial reporting and financial reporting ancillary purposes in accordance with IFRS 13, *Fair Value Measurement* and IAS 16, *Property, Plant & Equipment, Revaluation Model.* This appraisal has been conducted to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation and Code of Professional Ethics of the Appraisal Institute.

The intended users are GFI Real Estate Limited, its affiliates and subsidiaries, and each of their respective external and internal auditors, accountants, attorneys, offices, managers, members, agents, employees, and directors, solely in each case, relating to the Intended Use. There are no other intended users. No other user may rely on our report, as specifically indicated in the report.

The aggregate valuation in its entirety may be used for GFI Real Estate Limited's (i) financial reporting, (ii) quarterly and annual reports and (iii) prospectus, as applicable, and we confirm that we have given our consent to the inclusion of the aggregate valuation in its entirety with the GFI Real Estate Limited's public financial reports, quarterly and/or annual reports and a prospectus, as applicable, including its financial statements for the year ended on December 31, 2019, to be published in the Tel Aviv Stock Exchange, and no other intended use is permitted.

The subject property consists of the leasehold interest in a two-building assemblage identified as Block 830, Lots 53 and 54 by the City of New York. The property is otherwise known as address numbers 14 and 20 on West 29th Street in the NoMad neighborhood of Manhattan, New York City. The prominent corner building is the larger of the two, containing ±185,000 gross square feet of building area in a 13-story structure originally built in 1905 as a residential hotel known as the Hotel Breslin. The building currently operates as the Ace Hotel, with an entrance at 20 West 29th Street. The hotel building currently features 286 guestrooms and several leased retail spaces, including Stumptown Coffee (West 29th Street), Black Seed Bagels (Broadway), Opening Ceremony clothing & accessories store (Broadway), and Milk Bar (Corner of Broadway & West 29th Street). All four retail spaces have dedicated street entrances, and can additionally be accessed via the hotel lobby. The hotel lobby features a bar and lounge, and provides access to the main restaurant, The Breslin. A staircase from the lobby leads to the cellar level, featuring the fitness center, offices, a classroom operated by Milk Bar, and the Liberty Hall event space. The Breslin is managed by Ace Hotel Group, as are the lobby bar, room service, and the meeting/event spaces. The 5-story building located at 14 West 29th Street is known as "The Annex," and contains ±7,679 gross square feet of building area. The building features two retail spaces and six residential apartments. The leased retail spaces are Rudy's barbershop (located below grade along West 29th Street), and Le Labo fragrance store (located several steps above grade along West 29th Street).

Please note that several changes occurred in 2018 and 2019. (1) The Black Seed Bagels outlet replaced the No. 7 Sub Shop in April 2018, and commenced rent payments in August 2018. (2) The prior food & beverage lessee, Friedman Breslin LLC, was terminated at the beginning of 2018. One of the former partners of Friedman Breslin LLC, Chef April Bloomfield, was retained by ownership for oversight and consulting of the spaces (the Breslin; and until 2020, the John Dory Oyster Bar). Additionally, commencing in the Fall 2018, management of the two venues was formally added to the responsibilities of the hotel manager (Ace Hotel Group). The net income to the hotel remains the same, at 9.5% of revenues generated by the two outlets. (3) The John Dory closed in 2019 and has been replaced by a new lease to Milk Bar, a reputable bakery concept with several other locations. The former Project 8 retail space also comprises the Milk Bar. The location at the Ace Hotel is the flagship store, and includes classes and workshop offerings held in the former hotel boardroom. Rental payments commenced January 1, 2020. (4) The former lobby bar was moved to the middle section of the lobby space, and a large, permanent bar was constructed in the rear of the lobby in 2019. (5) In January 2020, Opening Ceremony announced it will be closing all of its retail stores. Per information provided by ownership, we have assumed Opening Ceremony will close in February 2020, and that a new tenant will be installed and commence rent payments on May 1, 2020.

Current ownership, 1186 Broadway LLC, acquired the leasehold interest in the property in December 2007 for a reported purchase price of $40,000,000, at which time the property was operating as a largely-deteriorated 360-key "SRO" (Single Room Occupancy) building. Ownership restored the building,

conducted extensive renovations, and bought-out the majority of tenants, eventually commencing operations in May 2009 as the 263-key Ace hotel. As far as we are aware, the SRO units are converted into hotel keys on a rolling basis as they become available. In total, the two-building assemblage currently contains 42 SRO tenants, of which 36 are contained in the hotel, per the most recent data available to us. The leased fee interest in the property is owned by The Lillian Goldman Family, LLC (85%) and Estate of Lillian Goldman (15%), per an agreement originally commenced on January 1, 1984 with an expiration of November 30, 2032. An amendment dated November 21, 2007 executed upon a renewal period, thereby extending the expiration to November 21, 2049. Please see the Extraordinary Assumptions section of this report for more detail regarding this lease.

As Is Market Value

As a result of our analysis, we are of the opinion that the market value of the leasehold interest of the subject hotel property, in its as is condition and subject to the assumptions and limiting conditions, certification and definitions, and extraordinary assumptions and hypothetical conditions, if any, as of December 31, 2019, is:

ONE HUNDRED THIRTY-EIGHT MILLION DOLLARS
$138,000,000 or $483,000 per room

Allocation of Market Value As Is		
Real Property	$135,140,000	98%
Personal Property	$2,860,000	2%
Business Value	$0	0%
Total	**$138,000,000**	**100%**

Please note our valuation is subject to the Extraordinary Assumptions presented in this transmittal letter.

The opinion(s) of value include the improvements and the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational. The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to the future behavior of consumers and the general economy, which are highly uncertain. However, it is inevitable that some assumptions will not materialize and unanticipated events may occur that will cause actual achieved operating results to differ from the financial analyses contained in this report and these differences may be material. Therefore, while our analysis was conscientiously prepared on the basis of our experience and the data available, we make no warranty that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results may depend.

We did not ascertain the legal, engineering, and regulatory requirements applicable to the property, including zoning and other state and local government regulations, permits and licenses. No effort has been made to determine the possible impact on the property of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof. With respect to the market demand analysis, our work did not include analysis of the potential impact of any significant rise or decline in local or general economic conditions.

We believe, based on the assumptions employed in our cash flow, as well as our selection of investment parameters for the subject, that the value conclusion represents a market price achievable within 6 to 12 months exposure prior to the date of value.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the last day of our fieldwork, January 23, 2020.

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions.

Extraordinary Assumptions

Extraordinary Assumptions are assumptions which if found to be false could alter the resulting opinion or conclusion.

The subject property represents a leasehold interest per a building lease agreement between the landlord (The Lillian Goldman Family, LLC (85%) and Estate of Lillian Goldman (15%)) and the tenant 1186 Broadway LLC (Formerly: Broadway Breslin Associates, LLC, preceded by Broadway Breslin Associates, Inc.). The agreement originally commenced January 1, 1984 with an expiration of November 30, 2032, and was amended November 21, 2007. The amendment incorporated execution of an extension term, thereby extending the term of the agreement through November 21, 2049. The agreement stipulates a fixed rent payment schedule through November 30, 2032, after which point the rent is subject to a fair market value reset commencing December 1, 2032. The reset rent is stipulated to equal 8.0% of the fair market value of the property, defined as the price at which the landlord's fee interest in the property would be sold for cash by a willing seller to a willing buyer. The "property" includes all buildings and improvements inclusive of FF&E. Accordingly, such a reset can potentially lead to a considerable increase in rent, particularly for a property such as the subject which has been restored by the tenant, and is located in a submarket that has dramatically improved over the past decade. Per conversations with ownership, the rent will equate to approximately $5,500,000 upon its reset in 2032. We have assumed this proposed rent to be achievable, though the rent could possibly be calculated to a reset amount significantly higher than the figure provided, depending upon interpretation of the lease reset provision. If the rent were to be reset to the maximum amount possible per the agreement, it may yield a financially infeasible rent amount. We believe that most landlords would likely opt to renegotiate the rent reset, rather than all but ensure a tenant's default (in which case, they would earn no rent). Regarding the subject, the tenant is legally permitted to continue to occupy the building(s) up to the rent reset date, and beyond. As such, if the tenant is aware an unfeasible rent payment will force them from the building in the near future, they would likely be discouraged from maintaining the quality and condition of the building, which we believe is a scenario a landlord would seek to avoid. Furthermore, according to ownership, if the tenancy were to change hands, various use issues would arise such with the City and the Landmarks Commission, which would likely make it difficult for the landlord to rent the building at the "maximum" rent possible. These factors considered, per discussions with ownership (leaseholder) we have assumed ownership will successfully negotiate for a rent reset to $5,500,000 as of December 1, 2032. We reserve the right to amend our analysis and conclusions herein, as any increase in the rent would have a direct negative impact on value of the property.

This appraisal assumes that throughout the projection period, the subject property will continue to operate as an Ace hotel, or otherwise as an independent product affiliated with a similar soft brand.

We have assumed the current management agreement with Ace Hotel New York LLC would be unencumbering upon sale of the property. As such, we have assumed the hotel would be operated by competent third party management going forward, at a market-oriented fee structure. We have assumed all-inclusive fees would be equal to 3.0% of gross revenues less the residential, retail, and restaurant lease income.

We have assumed that the retail and restaurant rental streams will increase with inflation, at 3.0%, annually going forward. This projection assumes revenue levels at each of the outlets will increase with inflation, which thereby impacts the percentage rent components accordingly. Please note that Black Seed Bagels outlet replaced the No. 7 Sub Shop in April 2018, and commenced rent payments in August 2018. Additionally, the John Dory Oyster Bar closed in 2019, and was replaced by a lease to Milk Bar. The former Project 8 space was replaced by Milk Bar as well. Per our understanding, Milk Bar commenced rental payments in January 2020. We have assumed the rent schedule as stipulated in the provided agreement. Please note there is a percentage rent component that we have not directly incorporated given the speculation required to do so. Last, in January 2020, Opening Ceremony announced it will be closing all of its retail stores. Per information provided by ownership, we have assumed Opening Ceremony will close in February 2020, and that a new tenant will be installed and commence rent payments on May 1, 2020. Our synopses of each of the lease agreements are displayed in the Income & Expense section of this report. We have assumed there will be no major changes in the number and quality of tenants going forward.

The prior food & beverage lessee, Friedman Breslin LLC, was terminated at the beginning of 2018. One of the former partners of Friedman Breslin LLC, Chef April Bloomfield, was retained by ownership for oversight and consulting of the spaces (the Breslin and John Dory). Additionally, commencing in the Fall 2018, management of the two venues was formally added to the responsibilities of the hotel manager (Ace Hotel Group). The net income to the hotel remains the same, at 9.5% of revenues generated by the two outlets. We have assumed that this arrangement will remain in place going forward under similar terms.

Per information provided by ownership, renovations will occur from 2020-2021, costing approximately $5,000,000, or $17,483 per key (based on 286 keys). The renovation is anticipated to be focused on improving the guestroom product, including bathrooms. We have assumed the capital will be spent equally during those two years. We have incorporated these deductions in the Reserves for Replacement line item of the cash flows.

Given the nature of rent-control and rent-stabilization laws in New York City, we have assumed the residential rent derived from the SRO tenants will remain flat, and not grow with inflation going forward. It is possible that several SRO units may become available during the projection period, and subsequently converted into hotel keys. However, we believe it would be overly speculative to estimate this figure. As such, we have not accounted for any SRO units to convert into hotel keys during the projection period. However, we have accounted for the reported conversion of one SRO unit in 2019, which is now operated as a hotel guestroom. As such, the current guestroom count of the hotel is now 286.

Please note we put forth substantial efforts to obtain the best available data, and worked with ownership extensively to appropriately compile financial statements. Ownership's financial statement record-keeping formats and methodologies entail compilation of several statements prepared by different groups; namely, the hotel financial statements prepared by the hotel manager (Ace Hotel Group), the restaurant financial statements, and the financial statements prepared by ownership which includes additional management and administrative expenses, as well as the residential and retail rent and recoveries. We assume that our understanding of the financials to be accurate. We also considered the financial statements of several relevant comparable hotels in Manhattan as a means of projecting expenses going forward appropriate for the subject, considering its size, revenue production, and the expanded nature of the operation given the inclusive of a sizable food and beverage component, and numerous retail and residential tenants.

If any of the aforementioned assumptions prove untrue, it may have an impact on our concluded opinion(s) of value. We reserve the right to amend our conclusions herein upon receipt of any additional information.

Hypothetical Conditions

Hypothetical Conditions are assumptions made contrary to fact, but which are assumed for the purpose of discussion, analysis, or formulation of opinions.

This appraisal employs no hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

LW Hospitality Advisors®

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Table of Contents

Photographs of Subject Property 9
Location Maps 17
Executive Summary 18
Definitions 20
Assumptions & Limiting Conditions 24
Site Description 27
Zoning Data 29
Assessed Value and Real Estate Taxes 30
Improvements Description 33
Area Economic Analysis 36
Neighborhood Analysis 44
New York City Lodging Market Analysis 55
National Lodging Market Analysis 63
Competitive Market Analysis 74
Occupancy & Average Daily Rate Projections 80
Highest and Best Use Analysis 93
Valuation Process 95
Income Capitalization Approach 97
Sales Comparison Approach 130
Reconciliation 135
Certification of the Appraisal 141
Addendum 142

Qualifications ..... Addendum
Appraiser Licenses ..... Addendum
Smith Travel Research Report ..... Addendum
Engagement Letter ..... Addendum

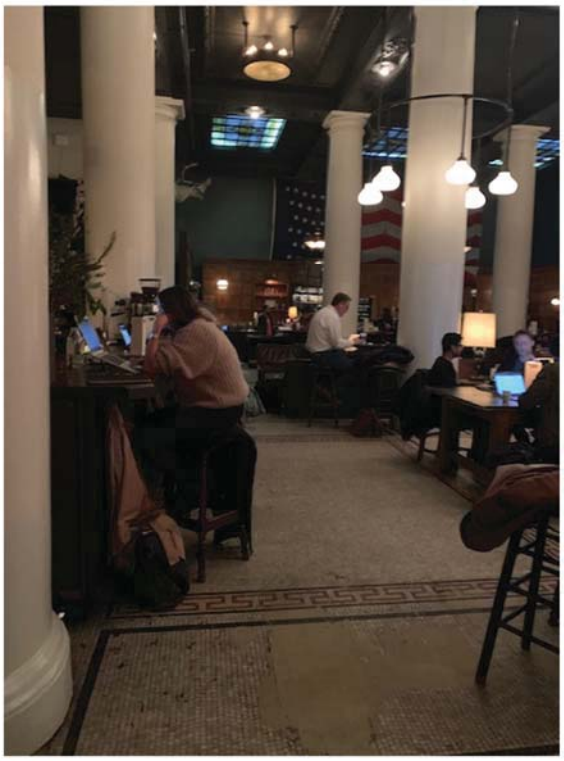
Photographs of Subject Property

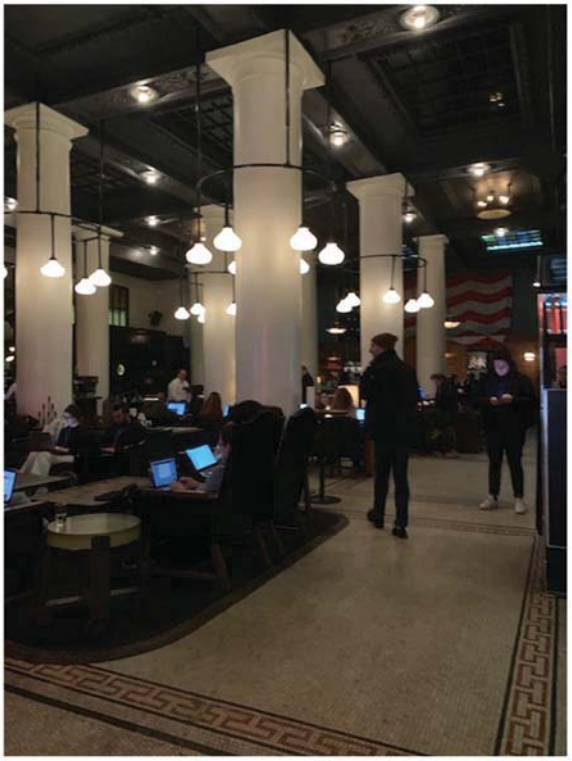


Exterior; Hotel entrance



Hotel Reception





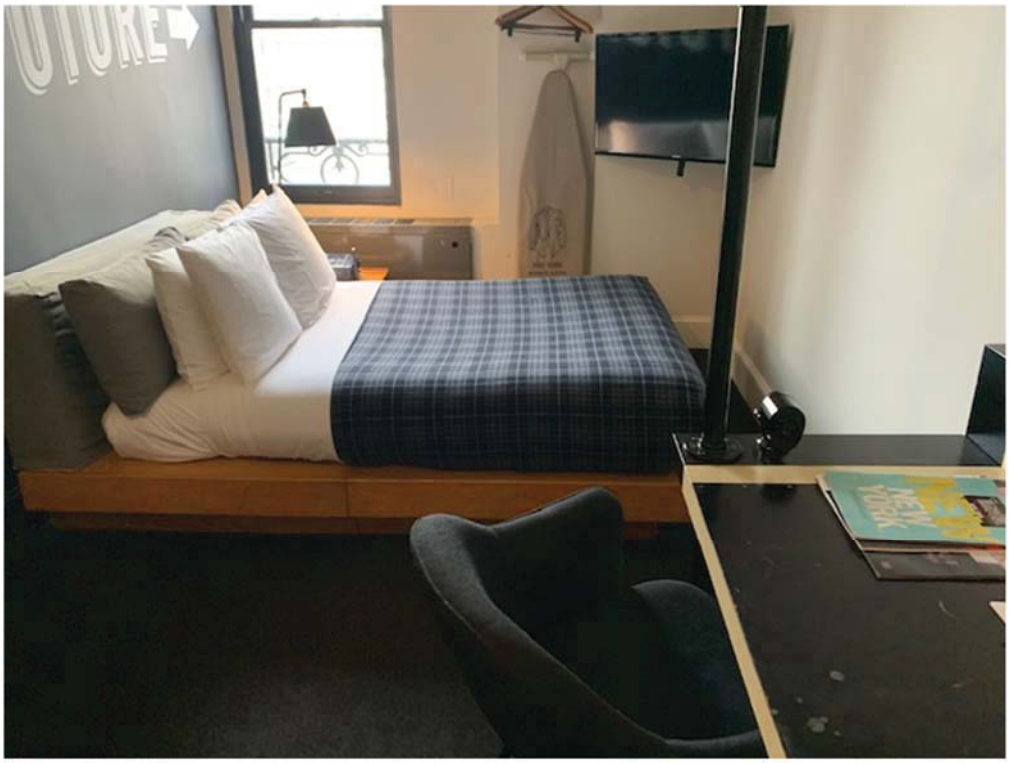
Hotel Lobby



The Breslin bar and restaurant



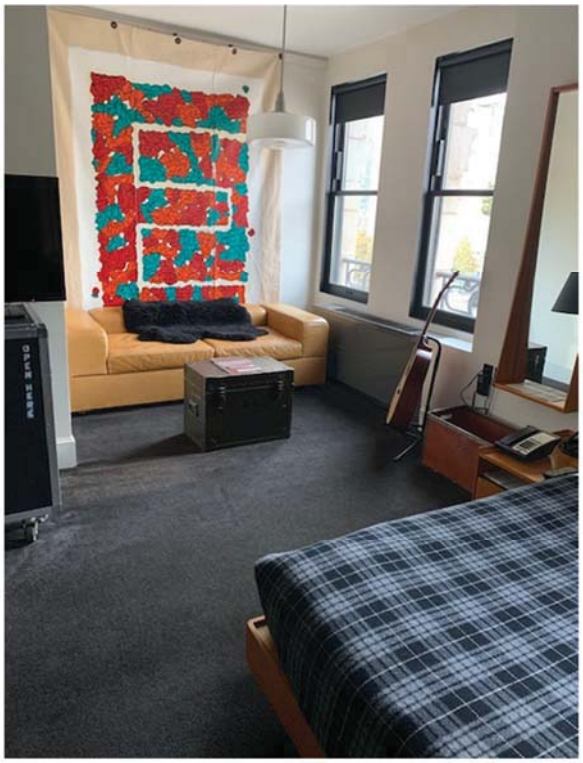
Liberty Hall



Typical Mini/Single Guestroom



Double-bedded Medium Guestroom

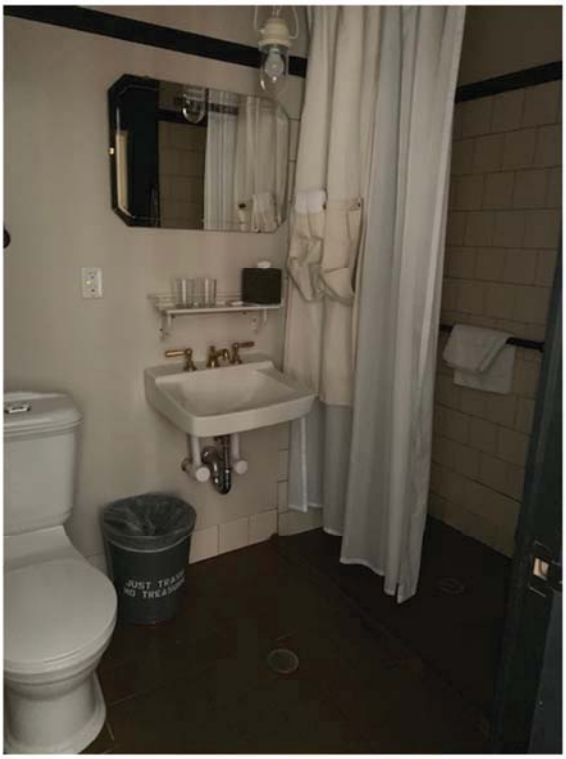


Typical Large Guestroom



Typical Small Guestroom





Typical Guest Bathrooms



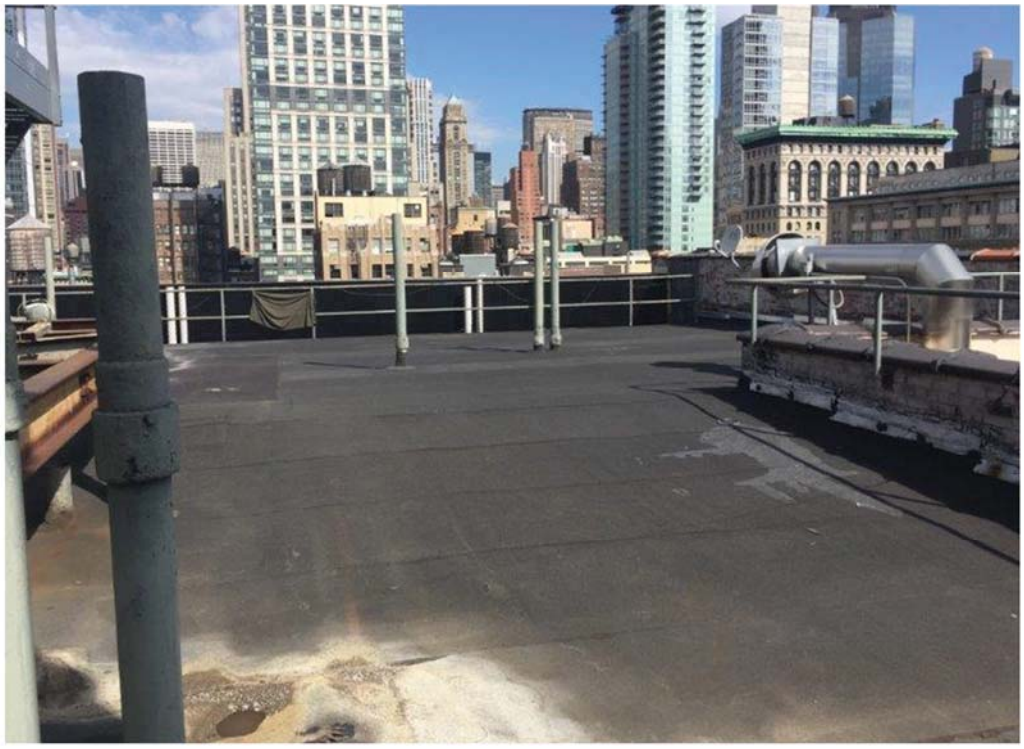
Typical Loft Guestroom



Typical Guestroom Amenities



Laundry



Roof

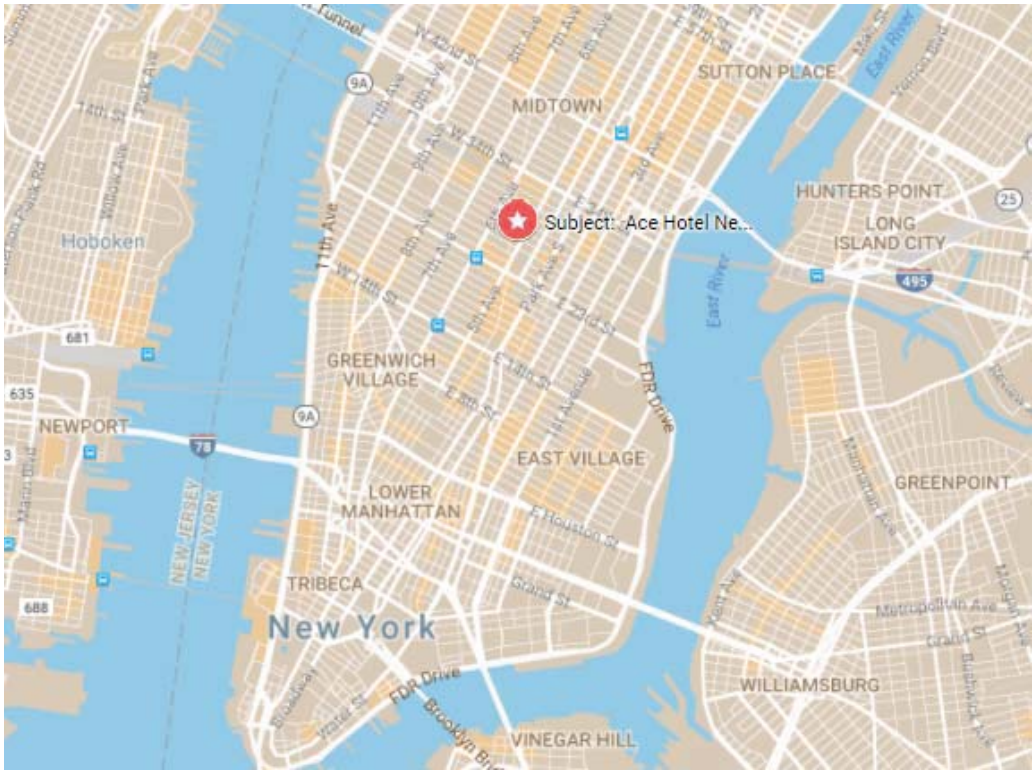


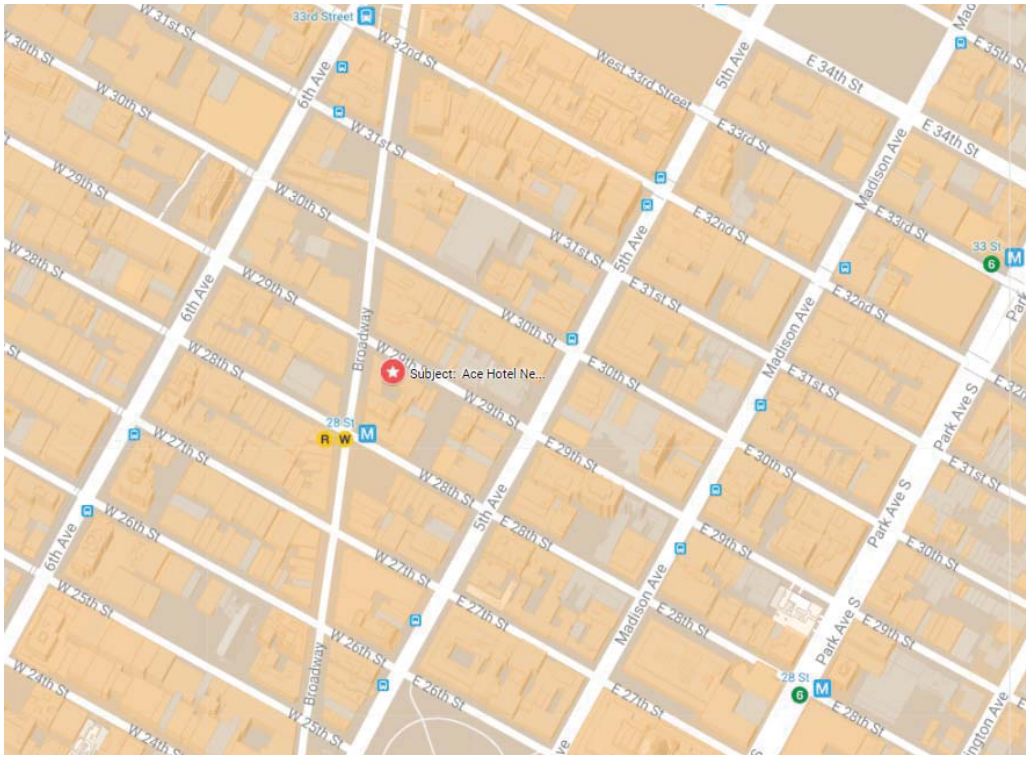
View North along Broadway



View South along Broadway

Location Maps





Executive Summary

General Information	
Property Name	Ace Hotel New York
Address	14 & 20 West 29th Street
City	New York
County	New York County
State	New York
Zip Code	10001
Property Type	Full Service Hotel
Parcel Number	Block 830, Lots 53 &54
Interest Appraised	Leasehold Interest
Inspected By	Michelle LaRocca
Date of Inspection	January 23, 2020

Site & Improvements	
Site Area (both lots)	0.40 Acres; 17,394 Sq. Ft.
Zoning District	M1-6 District
Flood Plain	Zone X, FEMA Flood Panel No. 3604970201F, September 5, 2007
Year Opened	1905
No. of Rooms	286
Gross Building Area - Total	192,679 Sq. Ft.
Gross Building Area - Lot 54	*185,000± Square Feet*
Gross Building Area - Lot 53 ("The Annex")	*7,679± Square Feet*
Corridor Type	Interior
Property Condition	Good
Year of Last Major Renovation	2009
Year of Last Soft Goods Renovation	2009
Year of Last Bathroom Refurbishment	2009
Meeting Space	3,500 Sq. Ft.
Food & Beverage Outlets	Two Outlets: The Breslin Bar & Dining Room, and the Lobby bar

Franchise and Management Agreements	
Manager	Ace Hotel New York LLC
Expiration	Terminable Upon a Sale

Highest and Best Use	
As Vacant	Residential and/or Commercial Development
As Improved	As Currently Improved

Operating Statistics	
2018 Year End Occupancy	90.44%
2019 Year End Occupancy	84.62%
Projected Year One Occupancy	86.00%
Projected Stabilized Occupancy	89.00%
2018 Year End ADR	$289.02
2019 Year End ADR	$270.34
Projected Year One ADR	$289.27
Projected Stabilized ADR	$350.68
2018 Year End NOI - Adjusted	$7,600,345
2019 Year End NOI - Adjusted	$3,184,508
Projected Year One NOI - Adjusted	$7,783,706
Projected Stabilized NOI	$12,066,441
Implied Year End 2018 Cap Rate	5.52%
Implied Year End 2019 Cap Rate	2.31%
Implied Year One Cap Rate	4.84%
Implied Stabilized Cap Rate	8.76%
Implied Stabilized Deflated Cap Rate	7.78%

Value Conclusions

Value	Amount	Per Room	Date of Value
Income Capitalization Approach			
As Is	$137,800,000	$482,000	December 31, 2019
Sales Comparison Approach	$130,900,000 - $144,700,000	$458,000 - $506,000	December 31, 2019
Final Value Estimates			
As Is	**$138,000,000**	**$483,000**	**December 31, 2019**

Definitions

Market Value

As defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows.

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby,

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leasehold Interest

The interest held by the lessee (the renter or tenant) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

Leased Fee Interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Marketing Time

1. The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.

2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool

of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time).

Exposure Time

1. The time a property remains on the market.

2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions").

Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values). See also marketing time.

As Is Value

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

As Complete Value

The prospective value of a property after all construction or renovation has been completed. This value reflects all expenditures for lease-up and occupancy that may be expected to have occurred at that point in time, which may or may not put the property at stabilized value.

Stabilized Value

A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods, when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale prices may fall short of long-term value.

Scope of Work

In preparing this appraisal, LWHA®:

- Inspected the interior and exterior of the subject, including site improvements, public areas, a representative sample of guestrooms, and back of house areas;
- Interviewed hotel management and representatives of its ownership;
- Reviewed the subject's historical operating and financial data, as well as industry statistics and the operating statistics of similar hotels;
- Inspected competitive properties, researched occupancies, average rates, and segmentation, and performed fair share projections for the subject. Data was obtained through interviews with on-site management and LWHA®'s internal database;
- Prepared detailed projections of occupancy, average daily rate, and operating expenses;
- Researched and analyzed recent comparable sales and offerings to determine capitalization and discount rates as well as indications of value per room;
- Considered the subject's replacement cost, accrued depreciation, and the relevancy to the subject valuation;
- Reconciled the applicable techniques to develop an opinion of value.

This is a narrative Appraisal Report as defined by the Uniform Standard of Professional Appraisal Practice under Standards Rule 2-2(A). This format provides a detailed and complete description of the appraisal process, subject data and valuation.

Property Ownership

Leasehold Interest:	1186 Broadway LLC
Leased Fee Interest:	The Lillian Goldman Family, LLC (85%) and Estate of Lillian Goldman (15%)

Acquisition History

Current leasehold ownership, 1186 Broadway LLC, acquired the leasehold interest in the property in December 2007 for a reported purchase price of $40,000,000, at which time the property was operating as a largely-deteriorated 360-key "SRO" (Single Room Occupancy) building. Ownership restored the building, conducted extensive renovations, and bought-out the majority of tenants, eventually commencing operations in May 2009 as the 263-key Ace hotel. The leased fee interest in the property is owned by The Lillian Goldman Family, LLC (85%) and Estate of Lillian Goldman (15%), per an agreement originally commenced on January 1, 1984 with an expiration of

November 30, 2032. An amendment dated November 21, 2007 executed upon a renewal period, thereby extending the expiration to November 21, 2049. ***Please see the Extraordinary Assumptions section of this report for more detail regarding this lease.***

As far as we are aware, there have been no additional sales of the subject property within the past three years. The property was marketed for sale within the past several years, although a sale was not effected. We are not aware as to the details of the marketing process. To the best of our knowledge, the subject is not currently being marketed for sale.

Dates of Valuation	As Is: December 31, 2019
Date of Inspection	January 23, 2020
Inspection Performed By:	Michelle LaRocca
Operational Assumptions	For the purposes of this report, this appraisal assumes that the subject property will be operated by competent and experienced management familiar with the operation of hotels in the United States, and more specifically, the greater New York, New York market. As previously noted, we have assumed that the hotel could be sold unencumbered of a management agreement. For the purposes of this analysis, this appraisal assumed that a competent third party management would manage the property for the duration of the projection period as an Ace or similarly affiliated hotel for the duration of the projection period.
Property Rights Appraised	Leasehold estate, including the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational.
Marketing and Exposure Period	We estimate the marketing time for the subject property to be approximately 6 to 12 months, based upon the PwC Real Estate Investor Survey as well as our interviews with knowledgeable owners and brokers. According to the most recent PwC Real Estate Investor Survey – Third Quarter 2019, 6.7 months is the average marketing time for luxury hotels, 6.0 months for full-service hotels, 6.2 months for limited-service hotels and 4.9 months for select-service hotels. The exposure period, or retrospective time to expose the property prior to sale, is estimated to be 6 to 12 months.

Assumptions & Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LW Hospitality Advisors® (LWHA®) is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. LWHA®, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. LWHA® professionals are not engineers and are not competent to judge matters of an engineering nature. LWHA® has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of LWHA® by ownership or management; LWHA® inspected less than 100 percent of the entire interior and exterior portions of the improvements; and LWHA® was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, LWHA® reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. LWHA® has no knowledge of the existence of such materials on or in the property. LWHA®, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to LWHA®. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, LWHA® has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, LWHA® reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data,

relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify LWHA® of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, LWHA® will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. LWHA® assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. LWHA® is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. LWHA® does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of LWHA®.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of LWHA® to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
15. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
17. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to LWHA® unless otherwise stated within the body of this report. If LWHA® has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. LWHA® assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

18. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor LWHA® assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
19. LWHA® assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
20. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
21. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
22. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LWHA® has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since LWHA® has no specific information relating to this issue, nor is LWHA® qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
23. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.
24. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

Site Description

Location

The subject site is situated on the southeast corner of West 29th Street and Broadway in the NoMad neighborhood of New York, New York County, New York. The subject property is identified as Block 830, Lot 54 (Hotel) and Block 830, Lot 53 (Annex).

Physical Address

20 West 29th Street, New York, New York 10001.

Tax Map



Area (Both Buildings)

0.40± Acres; 17,394± Square Feet

Frontage

The site offers approximately 194.98 square feet of street frontage along West 29th Street and 105.75 square feet along Broadway.

Configuration

The site is irregularly shaped.

Topography

The site is generally level.

Utilities

Typical municipal utilities, including electricity, telephone, gas, water and sewer, etc.

Site Improvements

The approximately 17,394 square foot site contains two lots, each improved with a building. The Annex contains 5-stories, 7,679 SF of gross building area, six residential apartments, and two leased retail spaces. The Ace Hotel is 13-stories and contains ±185,000 SF of gross building area, including 286 guestrooms, 3,500 SF of meeting space, the Breslin Bar & Dining Room, a lobby bar, four leased retail spaces, and a fitness center.

Adjacent Uses	North: West 29th Street; the Gilsey House residential cooperative South: Mixed-use buildings East: Mixed-use buildings West: Broadway; Mixed use buildings
Access & Visibility	The subject property has very good accessibility and excellent visibility given its prominent corner location.
Easements	No adverse easements have been noted.
Flood Zone	The subject is situated in Zone X, according to Federal Emergency Management Agency Map Number 3604970201F, effective September 5, 2007.
Hazardous Materials	Determining the presence of asbestos or hazardous materials at the subject is beyond the scope of this appraisal. The estimate of value derived herein is predicated on the subject being free of hazardous/toxic materials which may have an adverse impact on value. See Qualifying and Limiting Conditions in Addendum.
Comments	The subject's size and shape are typical for most developments in the area. There does not appear to be any excess land.

Zoning Data

The subject property is located within the M1-6 District, as determined by the City of New York.



Zoning Summary	
Zoning Authority	City of New York
Zoning District	M1-6 District
Primary Permitted Uses	M1 districts typically include light industrial uses, such as woodworking shops, repair shops, and wholesale service and storage facilities. Nearly all industrial uses are allowed in M1 districts if they meet the stringent M1 performance standards. Office and most retail uses are also permitted.
Hotels Permitted	By Special Permit
Zoning Change	No
Legally Conforming	Yes
Flood Plain	Zone X, FEMA Flood Panel No. 3604970201F, September 5, 2007
Category	**Zoning Requirement**
Height Limit	85 Feet, after which height is governed by sky exposure plane
Allowable FAR	10.0
Parking Requirement	None
Comments	The subject was originally built in 1905, and is assumed to be a legally conforming use. Note that hotels are no longer permitted as of right in M1 districts.
Source: Zoning & Planning Department	

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

Assessed Value and Real Estate Taxes

The property's current real property assessment information is presented below. The subject site is currently identified as Block 830, Lot 54 (Hotel) and Block 830, Lot 53 (the Annex). Note, the hotel is taxed as a commercial Class 4 property, while the Annex is taxed as Class 2, for residential property of four units or more. As such, the two lots are subjected to different assessments and tax rates.

Please see below for the historic tax assessments of the Annex building. Note we have estimated the 2020/2021 tax rate at 1.0% growth over the current rate, so as to project the tax burden in the first projection year.

Ad Valorem Tax Information							
Taxing Authority	City oF New York						
		Actual	Actual	Actual	Actual	Actual	Tentative
Assessor's Taxable Value	Legal ID	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Actual Assessment	Block 830, Lot 53						
Land		$69,075	$63,167	$57,516	$54,697	$65,641	$58,970
Improvement		$1,145,925	$1,266,371	$1,173,684	$1,274,999	$1,370,430	$1,271,590
Total Real Property Value		$1,215,000	$1,329,538	$1,231,200	$1,329,696	$1,436,071	$1,330,560
Transitional Assessment							
Land							
Improvement							
Total Transitional Value	100%	N/A	N/A	N/A	N/A	N/A	N/A
Tax Rates	(per $100 A.V.)						
Real Property Tax Rate		12.883	12.892	12.719	12.612	12.473	*12.598*
Real Property Tax Liability		$156,528	$171,404	$156,596	$167,701	$179,121	$167,620
Total Tax Liability		$156,528	$171,404	$156,596	$167,701	$179,121	$167,620
Total Projected Fiscalized Tax Liability							**$173,371**

The historic tax assessment and taxation of the Hotel is shown below. Note, the hotel lot benefits from an ICIP (Industrial & Commercial Incentive Program) tax abatement, which is currently in the final year of a 12-year schedule.

Ad Valorem Tax Information							
Taxing Authority	City oF New York						
		Actual	Actual	Actual	Actual	Actual	Tentative
Assessor's Taxable Value	Legal ID	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Actual Assessment	Block 830, Lot 54						
Land		$5,625,000	$5,625,000	$5,625,000	$5,625,000	$5,625,000	$5,625,000
Improvement		$32,350,050	$42,108,750	$35,744,400	$31,608,450	$31,921,650	$32,229,450
ICIP Exemption		*-$13,140,900*	*-$13,140,900*	*-$10,300,680*	*-$7,725,510*	*-$5,150,340*	*-$2,575,170*
Total Real Property Value		$24,834,150	$34,592,850	$31,068,720	$29,507,940	$32,396,310	$35,279,280
Transitional Assessment							
Land		$5,625,000	$5,625,000	$5,625,000	$5,625,000	$5,625,000	$5,625,000
Improvement		$23,858,387	$29,090,267	$27,766,967	$27,217,888	$28,452,218	$27,467,490
ICIP Exemption		*-$13,140,900*	*-$13,140,900*	*-$10,300,680*	*-$7,725,510*	*-$5,150,340*	*-$2,575,170*
Total Transitional Value	100%	$16,342,487	$21,574,367	$23,091,287	$25,117,378	$28,926,878	$30,517,320
Tax Rates	(per $100 A.V.)						
Real Property Tax Rate		10.656	10.574	10.514	10.514	10.537	*10.642*
Real Property Tax Liability		$2,646,327	$3,657,848	$3,266,565	$3,102,465	$3,413,599	$3,754,552
Total Tax Liability		$2,646,327	$3,657,848	$3,266,565	$3,102,465	$3,413,599	$3,754,552

Real property in New York State is not required to be assessed at 100 percent of market value. Reassessments may occur annually, and New York City has availed itself of a provision in the law that evenly phases in all assessed value increases over the five years. During the phase-in, the annual assessed values are "transitional values." The full reassessed value is the "actual" or "target value." The first transitional value is the original assessed value plus 20 percent of the difference between the original and target values. The 20 percent increments are added to each prior year's transitional value until the full target value is reached in the fifth year.

Throughout much of the 1980s in New York City, the sale of a property at market value would automatically trigger a reassessment, and the target value is usually set at 45 percent of the sales price. Conversion and renovation also triggers reassessment. The city no longer applies the 45 percent figure to the sales price of the property. Currently, the policy of the city assessor is to review income and expense statements on an annual basis. The methodology of estimating market value by the assessor involves direct capitalization, using rates that are applied to properties based upon geography and age. The 45 percent ratio is then applied to the assessor's determination of market value to derive a target assessment. In practice, the assessment ratio is often less than 45 percent.

In order to evaluate the reasonableness of the subject's real property assessment, we have reviewed several real property tax comparables relative to the subject property and analyzed them on an assessment per room basis.

Ad Valorem Real Property Tax Comparables

	Subject	1	2	3
	Ace Hotel New York	Royalton Park Avenue	The Roger Hotel	W Hotel Union Square
Year Built	1905	2010	1920	2000
No. of Rooms	286	249	194	270
Tax Year	2020/2021	2020/2021	2020/2021	2020/2021
Land	$5,625,000	$6,300,000	$3,806,100	$11,700,000
Improvement	$32,229,450	$34,361,550	$19,053,000	$30,084,300
Total Actual Assessed Value	$37,854,450	$40,661,550	$22,859,100	$41,784,300
Per Room	$132,358	$163,299	$117,830	$154,757
Combined Tax Rate Per $100	*10.642*	*10.642*	*10.642*	*10.642*
Total Actual Taxes	$4,028,611	$4,327,353	$2,432,750	$4,446,840
Per Room	$14,086	$17,379	$12,540	$16,470

The above comparables exhibit assessment values ranging from $117,830 to $163,299 per room, with the average assessed value per room of approximately $145,295 for 238 rooms. The subject property falls slightly within the range at $132,358 per room, which appears to be reasonable given its size (larger than all of the comparables) and its relative income production.

As mentioned above, the subject benefits from the ICIP abatement program. The abatement is currently in the final year of benefits. As such, the full tax burden will be reached in tax year 2021/2022. Commercial property taxes in New York City are issued on a transitional basis, by which each year's increase or decrease is phased in over a 5-year period. The chart below displays the transitional tax burden of the hotel:

Projected Assessment Change					2%											
Projected Rate Change					1%											
Tax Year	Actual Assessment	ICIP Abatement	**Actual Assessment**	**Transitional Assessment**		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2016	47,733,750	(13,140,900)	**34,592,850**	**34,715,267**												
2017	41,369,400	(10,300,680)	**31,068,720**	**33,391,967**		(704,826)										
2018	37,233,450	(7,725,510)	**29,507,940**	**32,842,888**		(312,156)	(312,156)									
2019	37,546,650	(5,150,340)	**32,396,310**	**34,077,218**		577,674	577,674	577,674								
2020	37,854,450	(2,575,170)	**35,279,280**	**33,092,490**		576,594	576,594	576,594	576,594							
2021	38,611,539		**38,611,539**	**33,896,228**		666,452	666,452	666,452	666,452	666,452						
2022	39,383,770		**39,383,770**	**35,559,238**			154,446	154,446	154,446	154,446	154,446					
2023	40,171,445		**40,171,445**	**37,691,939**				157,535	157,535	157,535	157,535	157,535				
2024	40,974,874		**40,974,874**	**39,407,652**					160,686	160,686	160,686	160,686	160,686			
2025	41,794,372		**41,794,372**	**40,710,670**						163,899	163,899	163,899	163,899	163,899		
2026	42,630,259		**42,630,259**	**41,514,414**							167,177	167,177	167,177	167,177	167,177	
2027	43,482,864		**43,482,864**	**42,334,233**								170,521	170,521	170,521	170,521	170,521
2028	44,352,521		**44,352,521**	**43,170,448**									173,931	173,931	173,931	173,931
2029	45,239,572		**45,239,572**	**44,023,388**										177,410	177,410	177,410
2030	46,144,363		**46,144,363**	**44,893,386**											180,958	180,958
2031	47,067,251		**47,067,251**	**45,780,784**												184,577
2032	48,008,596		**48,008,596**	**46,685,931**												
2033	48,968,768		**48,968,768**	**47,609,180**												
2034	49,948,143		**49,948,143**	**48,550,894**												
2035	50,947,106		**50,947,106**	**49,511,442**												
Current Transitional Assessment						34,077,218	33,092,490	33,896,228	35,559,238	37,691,939	39,407,652	40,710,670	41,514,414	42,334,233	43,170,448	44,023,388
Current Actual Assessment						32,396,310	35,279,280	38,611,539	39,383,770	40,171,445	40,974,874	41,794,372	42,630,259	43,482,864	44,352,521	45,239,572
Taxable (Min of Trans,Actual)						32,396,310	33,092,490	33,896,228	35,559,238	37,691,939	39,407,652	40,710,670	41,514,414	42,334,233	43,170,448	44,023,388
Tax Rate						10.537	10.642	10.749	10.856	10.965	11.074	11.185	11.297	11.410	11.524	11.639
Annual Tax Liability						3,413,599	3,521,825	3,643,436	3,860,411	4,132,862	4,364,198	4,553,585	4,689,921	4,830,362	4,975,032	5,124,060
Annual % Increase							3.17%	3.45%	5.96%	7.06%	5.60%	4.34%	2.99%	2.99%	3.00%	3.00%
Fiscal Break	Months in Yr 1	6														
	Months in Yr 2	6														
Fiscal Tax Liability - Hotel							**3,467,712**	**3,582,630**	**3,751,923**	**3,996,637**	**4,248,530**	**4,458,891**	**4,621,753**	**4,760,141**	**4,902,697**	**5,049,546**
Fiscal Tax Liability - Annex Building							**173,371**	**178,572**	**183,929**	**189,447**	**195,130**	**200,984**	**207,014**	**213,224**	**219,621**	**226,210**
Total Property Tax							**3,641,083**	**3,761,202**	**3,935,852**	**4,186,084**	**4,443,660**	**4,659,876**	**4,828,767**	**4,973,365**	**5,122,318**	**5,275,755**

The above chart details the transitional tax burden calculations of the hotel building. The projected taxes of the Annex building (as calculated earlier in this section) have been layered in, so as to yield the total property tax burden of the subject assemblage. Note, there are numerous lease tenants that are responsible for contributing towards the tax burden of the property. These contributions have been layered into the cash flow projections in the Revenue section, under the Rental Recoveries & Credits line item.

Improvements Description

The table below summarizes the specifications of the subject improvements.

General Information	
Property Type	Full Service Hotel
Year Built	1905
Year Opened as Hotel	2009
Year of Recent Renovation	2009
Year of Last Soft Good Renovation	2009
Year of Last Bathroom Refurbishment	2009
Property Condition	Good
Construction Type	Steel & Concrete
Exterior Walls	Terra Cotta & Concrete
Number of Buildings	Two
Number of Stories - Lot 54	13 Stories
Number of Stories - Lot 53 ("The Annex")	5 Stories
Basement Levels - Lot 54	2 Levels Below Grade
Basement Levels - Lot 53 ("The Annex")	1 Level Below Grade
Gross Building Area - Total	192,679± Square Feet
Gross Building Area - Lot 54	*185,000± Square Feet*
Gross Building Area - Lot 53 ("The Annex")	*7,679± Square Feet*
HVAC	2-Pipe system
Roof Type	Membrane & Asphalt
Roof Age	8 Years
Elevators	5 Passenger & 1 Service

Guestrooms	
Room Type	Number of Rooms
Kings	101
Queens	66
Fulls	84
Double/Doubles	27
Loft Suites	8
Total Guestrooms Available	**286**

**Note, the room count increased to 286 as of 2020 due to conversion of an SRO unit*

Food & Beverage Outlets		
Outlet	Number of Seats	Meals Served
The Breslin Bar and Dining Room	120	3
The Lobby Bar	74	24/7
Room Service	N/A	24/7
Food & Beverage Seats	**284**	

Meeting Rooms		
Room	Square Feet	Location
Liberty Hall	2,800	Cellar

Retail Spaces		
Tenant	Square Feet	Location
Stumptown Coffee	562	West 29th Street
Black Seed Bagels	598	Broadway
Opening Ceremony	1,029	Broadway
Milk Bar	N/A	Corner of Broadway & W. 29th
Rudy's Barbershop	2,054	West 29th St. ("The Annex")
Le Labo	N/A	West 29th St. ("The Annex")

Additional Amenities
Fitness Center
Sundry Shop

SRO Residential Tenants	
Lot 54	36
Lot 53 ("The Annex")	6
Total SRO Residential Tenants	**42**

**Note, the Total SRO units decreased from 43 to 42 in 2019. The unit is now in use as a guestroom in 2020*

Property General

The subject property consists of the leasehold interest in a two-building assemblage identified as Block 830, Lots 53 and 54 by the City of New York. The property is otherwise known as address numbers 14 and 20 on West 29th Street in the NoMad neighborhood of Manhattan, New York City.

The prominent corner building is the larger of the two, containing ±185,000 gross square feet of building area in a 13-story structure originally built in 1905 as a residential hotel known as the Hotel Breslin. The building currently operates as the Ace Hotel, with an entrance at 20 West 29th Street. The hotel building currently features 286 guestrooms and several leased retail spaces, including Stumptown Coffee (West 29th Street), Black Seed Bagels (Broadway), Opening Ceremony clothing & accessories store (Broadway), and Milk Bar (Corner of Broadway and West 29th Street).

Upon entering the hotel lobby, reception is immediately to the right, and the interior entrance to Stumptown Coffee is immediately to the left. From the entrance, the lobby bar is situated along the rear wall, with numerous seating arrangements of couches and long tables placed throughout the space. From the entrance, the Breslin Bar & Dining Room is situated adjacent to the lobby to the left, while a vestibule is adjacent to the lobby on the right, which leads to interior entrances to Black Seed Bagels, retailer Opening Ceremony, and Milk Bar. Also in this area is a staircase leading to the cellar level, which features the fitness center, offices, a classroom operated by Milk Bar, and the Liberty Hall event space. Opening Ceremony, Stumptown Coffee, and Milk Bar all have dedicated street entrances.

The 5-story building located at 14 West 29th Street is known as "The Annex," and contains ±7,679 gross square feet of building area. The building features two retail spaces and six residential apartments. The leased retail spaces are Rudy's barbershop (located below grade along West 29th Street), and Le Labo fragrance store (located several steps above grade along West 29th Street).

Guestrooms

The subject hotel features 286 guestrooms comprised 101 kings, 66 queens , 84 fulls, 27 double/doubles, and eight loft suites. Guestrooms contain unique amenities such as bath products from Rudy's, full-size SMEG refrigerators, and record-players and acoustic guitars in certain room types.

Food and Beverage

The hotel features three food and beverage outlets, as well as room-service that is serviced by the Breslin.

- *Breslin Bar & Dining Room* – The Breslin serves three meals daily, and features a main dining room and a separate bar area, which jointly offer 120 seats. This outlet is the most formal of the options available onsite, and is responsible for providing room-service to hotel guests.
- *Lobby bar* – The lobby bar occupies a substantial portion of the ground floor of the hotel. It is a central hub, providing access to Stumptown, the Breslin, Milk Bar, Opening Ceremony, the meeting space in the cellar, the front desk, and passenger elevators. It is a highly trafficked and versatile space, serving food and drinks 24/7, providing entertainment on most evenings, and complimentary WiFi for those working on laptops. The former lobby bar was moved to the middle section of the lobby space, and a large, permanent bar was constructed in the rear of the lobby in 2019, thereby increasing bar space and service capacity.
- *Please note the subject previously featured an additional food and beverage outlet, the John Dory Oyster Bar, which closed in March 2019. The John Dory was replaced with a lease to Milk Bar.*

Meeting Space

The hotel offers one dedicated meeting space. Liberty Hall is a 2,800 square foot space utilized for a variety of uses, including meetings, social events, and performances. Previously, the subject also featured a boardroom, however that space is now included in the Milk Bar lease and is utilized for classes and other events.

Capital Expenditures

Current ownership, 1186 Broadway LLC, acquired the leasehold interest in the property in December 2007 for a reported purchase price of $40,000,000, at which time the property was operating as a largely-deteriorated 360-key "SRO" (Single Room Occupancy) building. Ownership restored the building, conducted extensive renovations, and bought-out the majority of tenants, eventually commencing operations in May 2009 as the 263-key Ace hotel. As far as we are aware, the SRO units are converted into hotel keys on a rolling basis as they become available.

We did not receive information regarding the capital spent to restore the building and convert to hotel use. However, per conversations with ownership, we are of the understanding that the renovation was comprehensive and included a gut renovation of nearly all components of the building. To the best of our knowledge, there have been no major renovations since the conversion completed in 2009, and there is not a major renovation planned in the immediate future.

Capital expenditure history provided to us indicates numerous expenditures covered by the reserves for replacement. The most notable of these expenditures included replacement of rugs in the lobby, replacement of carpets in guestrooms and corridors, replacement of stairwell exit doors, replacement of sofas in the lobby and in guestrooms, and partial replacement of the sub-roof.

Per information provided by ownership, renovations will occur from 2020-2021, costing approximately $5,000,000, or $17,483 per key (based on 286 keys). The renovation is anticipated to be focused on improving the guestroom product, including bathrooms. We have assumed the capital will be spent equally during those two years. We have incorporated these deductions in the Reserves for Replacement line item of the cash flows.

We assume that the subject property will continue to need renovations throughout its life cycle. Considering the current condition of the subject property and typical industry standards, we have utilized 4.0 percent of total revenue for reserves for replacement in Year 3 and thereafter, throughout the projection period.

Conclusion

The subject was originally constructed in 1905 with an estimated economic life of 100 years. The actual age of the building is 115 years; however, the property has gone through several major renovations over its life. Given the significant renovation in 2009, we have estimated the effective age of the asset at approximately 50 years. The remaining economic life is estimated to be approximately 50 years.

Overall, the current condition of the improvement is good with the guestrooms and public spaces offering a quality that is comparable to the majority of the primary competitive set. There are no known adverse factors pertaining to the property's marketability, and it is positioned within its intended demographic.

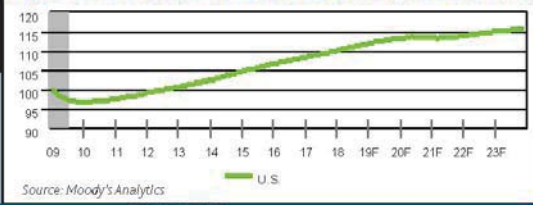
Area Economic Analysis

Moody's Analytics

UNITED STATES

EMPLOYMENT GROWTH RATE		GROSS DOMESTIC PRODUCT	
2018-2020	2018-2023	2018-2020	2018-2023
1.2%	0.8%	2.0%	2.2%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2009=100)



Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- Very productive workforce.
- Labor market attracts skilled and unskilled immigrants.
- High innovation and entrepreneurship.
- Mobile labor force, flexible labor system.

WEAKNESSES

- Large budget, current account deficits.
- Skewed income and wealth distribution.
- Polarized and fractured political system.
- Demographic challenges.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Aug 18	Feb 19	Aug 19
Total	1.7	1.8	1.5
Construction	4.9	4.1	2.7
Manufacturing	2.2	2.0	1.2
Trade	0.2	0.4	0.1
Trans/Utilities	3.9	3.6	2.4
Information	0.6	0.1	-0.1
Financial Activities	1.3	1.3	1.2
Prof & Business Svcs.	2.4	2.6	2.2
Edu & Health Svcs.	2.0	2.3	2.5
Leisure & Hospitality	1.7	2.5	2.0
Other Services	1.3	1.3	1.5
Government	0.5	0.5	0.4

FORECAST RISKS

SHORT TERM ↑ | LONG TERM ↑

UPSIDE

- Rising wealth and wages act as tailwinds for consumer spending.
- Federal Reserve aggressively eases monetary policy.
- Lower mortgage rates boost housing.

DOWNSIDE

- Trade tensions escalate and financial market conditions tighten significantly.
- Business and consumer confidence falls sharply and a recession ensues.

MOODY'S RATING **Aaa**

ANALYSIS

Recent Performance. The business cycle is at a critical juncture. Recession risks are as high as they have been since the record-long economic expansion began over a decade ago. Indeed, a growing list of major global economies are already flirting with downturns. They include Germany, Italy and the U.K. in Europe; Brazil and Mexico in Latin America; and Japan, Korea and Singapore in Asia.

In the U.S., manufacturing and agriculture are arguably in recession. Industrial production is flagging, as are farm incomes. The transportation and distribution industries are also struggling since they move much of what factories and farmers produce. Combined, these activities account for no more than one-fifth of the nation's GDP, but as long as they are contracting, the broader economy will remain vulnerable to anything else that may go wrong.

Investors are anxious that something will. Based on a handful of financial indicators that have been prescient barometers of future recession, there is an almost two-thirds probability of recession by the middle of next year (see Chart 1). The indicators include two measures of the shape of the Treasury yield curve, stock market volatility, credit spreads, and the difference between the federal funds rate and the equilibrium funds rate—the rate consistent with a neutral monetary policy. Recession probabilities are lower after adjusting the yield curve measures to account for potential biases related to global quantitative easing and other factors. Even so, in past cycles when probabilities got as high, recessions ensued.

Poor policy. Historically, business cycles have come to an end because of a significant vulnerability in the private economy. Defaulting subprime mortgages were the proximate cause of the financial crisis, and the bursting of the technology-stock bubble was at the heart of the post-Y2K recession. Excessive leverage, speculation, and overvalued asset markets as well as overbuilt real estate markets and overladen inventories have been central to every recession since World War II.

This time, the predominant threat to the business cycle is poor economic policy, the most obvious being President Trump's trade war with China. Geopolitics are also unusually unsettled, from the possibility of a no-deal Brexit to heated political unrest in Hong Kong to mounting conflict in the Middle East that could disrupt global oil supply. Whether this expansion continues for very long depends on how these events play out, and how global central banks respond.

Trump has recently dialed back the rhetoric in his trade war with China, and negotiations appear set to resume in coming weeks. This has buoyed global stock markets, as widespread expectations, including our own, are that the president will soon come to terms with China. This does not mean the end of higher tariffs he has imposed on Chinese goods, or that there will be substantive changes to Chinese behavior around trade, access to their markets, or protection of intellectual property. But it does mean there will not be an escalation in the trade war. And although uncertainty will continue to weigh on business investment and hiring—and thus the economy's growth—recession will remain at bay (see Chart 2).

Of course, we have been at this same point more than once in the past year only to see the negotiations break down and the president double down on his tariffs and threaten other retaliation. If the same happens this time, investors are sure to lose faith, and financial markets will be roiled along with the economic expansion.

No-deal Brexit. Brexit is another existential threat to the economic expansion. Given the po-

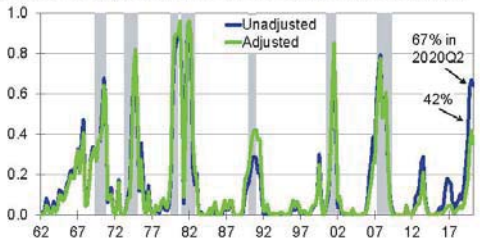
(Continued next page)

2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
16,495	16,912	17,404	17,689	18,108	18,638	Gross domestic product (C12$ bil)	19,072	19,394	19,800	20,375	20,817	21,256
1.8	*2.5*	*2.9*	*1.6*	*2.4*	*2.9*	*% change*	*2.3*	*1.7*	*2.1*	*2.9*	*2.2*	*2.1*
136.4	138.9	141.8	144.3	146.6	149.1	Total employment (mil)	151.3	152.6	152.6	153.9	154.9	155.8
1.6	*1.9*	*2.1*	*1.8*	*1.6*	*1.7*	*% change*	*1.5*	*0.8*	*-0.0*	*0.9*	*0.7*	*0.6*
7.4	6.2	5.3	4.9	4.4	3.9	Unemployment rate (%)	3.7	3.7	4.3	4.4	4.5	4.5
1.2	5.7	4.8	2.6	4.7	5.6	Personal income growth (%)	4.8	4.1	3.9	4.6	4.2	4.0
316.1	318.4	320.7	323.1	325.1	327.2	Population (mil)	329.2	331.2	333.1	335.2	337.4	339.6
0.6	0.6	0.7	0.8	0.9	0.9	Single-family starts (mil)	0.9	0.9	1.2	1.5	1.5	1.5
0.3	0.4	0.4	0.4	0.4	0.4	Multifamily starts (mil)	0.4	0.4	0.4	0.5	0.5	0.5
1,844	1,267	1,675	2,035	1,758	1,646	Mortgage originations ($ bil)	1,859	1,722	1,652	1,638	1,702	1,803
1,039	910	820	771	766	751	Personal bankruptcies (ths)	756	804	936	1,103	1,277	1,394
0.1	0.0	0.1	0.3	0.9	1.9	91-day Treasury bill (%)	2.1	1.4	1.6	2.3	2.8	2.8
2.3	2.5	2.1	1.8	2.3	2.9	10-year Treasury bond (%)	2.2	2.6	3.2	3.9	4.1	4.1

MOODY'S ANALYTICS / Précis® U.S. State / September 2019

Recession Risks Are Uncomfortably High

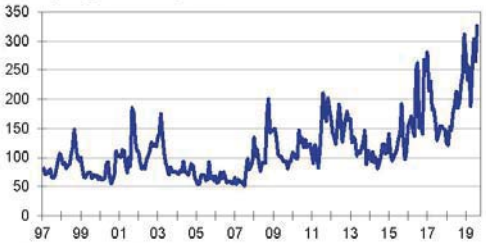
Prob. of U.S. recession based on financial indicators 12 mo prior



Sources: Federal Reserve, Moody's Analytics

Geopolitical Uncertainty Surges

Global policy uncertainty index



Sources: Policyuncertainty.com, Moody's Analytics

litical chaos in the U.K., there is no handicapping how it will play out. Yet we must, and our baseline scenario holds that the British will continue to kick the can down the road before ultimately deciding not to leave the EU. British Prime Minister Boris Johnson will thus be cornered into moving the drop-dead date for a Brexit decision from the current end of October to the end of January. There may be new elections between now and then, but that also will not determine a path forward. The deadline will be pushed further into the future, and although the cloud of uncertainty will remain thick and the British economy diminished as a result, Brexit will not be the catalyst for the next recession.

But it is not difficult to construct other darker scenarios in which the British leave the EU without a deal. In a no-deal scenario, trade between the U.K. and the EU would revert to rules governed by the World Trade Organization. Border controls will be necessary, tariffs will increase, and regulations and standards will ultimately diverge. The supply chain between the U.K. and the EU would be badly broken, regulatory arrangements that govern many aspects of everyday life—from medicines to driver licenses—would break down, and financial institutions would be unsure how to operate.

A no-deal Brexit would be a body blow to Europe's economy, particularly if it reignites populist anti-EU sentiment throughout the Continent (see Chart 3). It probably would not be enough by itself to push the rest of the global economy, including the U.S., into recession, but that is only because global central banks, led by the Federal Reserve, would be slashing interest rates.

Negative rates. The Fed will be instrumental in determining if the economy is able to navigate through the next year without suffering a recession. It is already on the case and appears set to deliver the full percentage point in easing that futures markets currently anticipate through early next year. This will provide much-needed support to the economy. Based on simulations of our global model, the lower rates will boost real GDP by half a percentage point by the end of 2020 and by a full point by the end of 2021 (see Chart 4). This is just enough to forestall a recession under our baseline assumptions regarding the trade war and the geopolitical threats.

However, if Trump escalates his trade war or there is a no-deal Brexit or any of a number of other geopolitical hot spots boils over, the Fed will be overwhelmed. It will quickly be back to dealing with the zero lower bound, a resumption of quantitative easing, and possibly even negative interest rates. With the federal funds rate and 10-year Treasury yields already hovering around 2%, any of these shocks would likely quickly push rates negative. For context, in typical recessions the Fed lowers short-term rates by close to 5 percentage points.

Even if the Fed wanted to respect the zero lower bound on the federal funds rate, it probably could not, since the yield curve would deeply invert as long rates turned more negative. Foreign capital would pour into the U.S. because rates would likely go even more negative in Europe and Japan. Negative rates would be hard on the financial system's profitability, but an inverted yield curve with short rates pinned at the zero lower bound would be untenable for the system, further undermining the availability of credit and the economy.

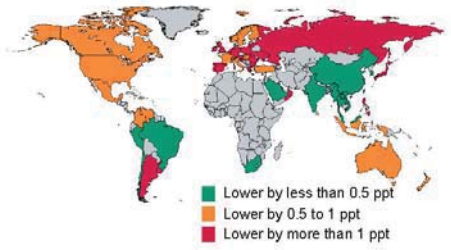
And if the experience with negative rates in Europe and Japan is any guide, they will do little to support the economy. There is mounting evidence that negative rates undermine investor and business confidence, since they signal how dysfunctional the economy is. Moreover, negative rates in the U.S. would have serious implications for the huge shadow financial system that provides about half the nation's credit. The non-depository institutions that make up this system rely on lines of credit from large banks and short-term funding markets for the liquidity they need to support their lending activities. It is unclear what would happen to this liquidity in a world of negative rates.

To be clear, recession is not imminent, at least not in the U.S. Although growth has throttled way down from last year, the American economy is close to its 2% GDP growth potential. At the current pace of underlying job growth, unemployment will remain stable at less than 4%. But if growth slows any further, which it will if Trump does not stand down on his trade war with China or the geopolitical situation goes any further off the rails, unemployment will begin to rise. Once that happens, recession will be upon us.

Mark Zandi
September 2019

No-Deal Brexit Would Be a Global Body Blow

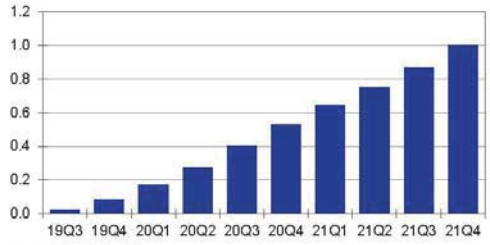
Difference in real GDP in 2020Q4, No deal vs. No Brexit



Source: Moody's Analytics

Counting on the Federal Reserve

Chg in real GDP due to Fed easing as implied by fed funds futures, %



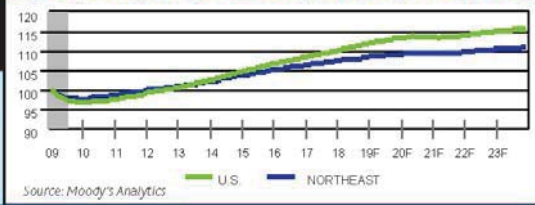
Source: Moody's Analytics

Moody's Analytics

NORTHEAST

EMPLOYMENT GROWTH RATE		GROSS DOMESTIC PRODUCT	
2018-2020	2018-2023	2018-2020	2018-2023
0.7%	0.5%	1.9%	2.0%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2009=100)



Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

» Highly educated labor force and productive high-tech industries.
» A global financial capital.
» High per capita income.
» Sizable university and hospital presence.

WEAKNESSES

» Higher costs than other regions.
» Aging and slow-growing population.
» State finances plagued by high pension liabilities and inadequate reserves.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Aug 18	Feb 19	Aug 19
Total	1.0	0.9	0.8
Construction	2.0	2.2	1.6
Manufacturing	0.8	0.6	-0.3
Trade	-0.6	-0.7	-0.3
Trans/Utilities	2.7	2.3	2.0
Information	0.5	-0.1	0.4
Financial Activities	0.3	-0.4	0.1
Prof & Business Svcs.	1.4	0.8	0.5
Edu & Health Svcs.	2.1	2.2	2.0
Leisure & Hospitality	1.1	1.5	1.5
Other Services	0.9	1.1	0.8
Government	0.2	0.4	0.5

FORECAST RISKS

SHORT TERM ↓ | LONG TERM ↓

UPSIDE

» Worker shortages put more upward pressure on wages than expected.
» Federal Reserve adopts a more dovish posture, giving a short-term jolt to the region's finance-dependent states.

DOWNSIDE

» Trade war hits service exports and financial markets especially hard.
» Financial slowdown drives reduced venture capital, weighing on high tech.

COST OF DOING BUSINESS 104%

ANALYSIS

Recent Performance. After missing out on last year's national acceleration, the Northeast is holding steady while the rest of the U.S. slows. The labor market remains tight, with the unemployment rate below the U.S. figure and the labor force growing at the nation's slowest clip. These dynamics are keeping the gap between job openings and hiring wide, putting upward pressure on wages. The Employment Cost Index for the 12-month period ended in June reveals the strongest wage growth in the nation.

Uncertainty. Broader economic storm clouds have dimmed the region's outlook. Recession warning signs caused equity and debt markets to convulse during the summer after a relatively stable first half of 2019. The Northeast is twice as dependent on the securities industry as the rest of the U.S., so any weakness will prove problematic, with finance-reliant New York and Delaware the most vulnerable states. Even with further interest rate cuts potentially creating upside risk, the outlook is unfavorable.

Although the direct impact of the trade war with China is not as pronounced as it is elsewhere, its indirect effects are being felt. Not only are financial markets reacting negatively, but growing uncertainty also is plaguing firms. Delayed investment decisions by service providers in the region's large gateway metro areas will put a dent in output and job growth. Meanwhile, the potential for Chinese retaliation to extend to service exporters is rising, and the potential expansion of tariffs to consumer goods could soon place the Northeast more firmly in the crosshairs.

Tech. High tech will remain a pillar of regional growth, mirroring a national trend but concentrating more strength in a handful of economies. The region's five largest metro areas—New York City, Washington DC, Philadelphia, Boston and Baltimore, which account for more than 70% of population—all boast a higher than average share of tech jobs. This makes the Northeast unique, as all other regions feature at least one nontech top-five metro area.

Signs point to further near-term growth. Venture capital dollars into the region are near their all-time high, and major firms are increasing their regional footprint. Amazon's second headquarters just outside Washington DC is the most significant investment, but it is hardly an isolated case. Even New York City, which spurned the other half of Amazon's HQ2, has attracted investment from the online retail giant and other key firms such as Google and Facebook.

Demographics. A booming tech sector will attract more young people, representing a silver lining in an otherwise dark demographic picture. Population growth in the Northeast has been the nation's weakest for six years running, and the Mid-Atlantic has lost residents in each of the past three years. This marks the first population decline for any census division in over three decades. Reduced demand for housing has made the Northeast home to five of the 11 slowest-growing states for house price growth, based on the Case-Shiller single-family index.

Still, the news is not all bad. The lure of large cities and lucrative tech jobs will keep growth among twenty- and thirtysomethings in line with the national rate in the short run. And a steady stream of college graduates will bolster an existing edge in educational attainment, allowing the region to trade workforce quantity for quality.

Although clouded by uncertainty facing major metro areas and key industries, the Northeast will push forward for the remainder of 2019. High-tech growth will remain a catalyst, helping to offset weakness in finance. In the long run, workforce quality and the pull of large cities will keep the region afloat, but net out-migration will spell underperformance.

Adam Kamins
September 2019

2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
3,888.6	3,950.0	4,026.0	4,077.8	4,136.4	4,219.1	Gross regional product (C12$ bil)	4,317.2	4,376.5	4,450.0	4,564.2	4,653.2	4,739.9
29,436	29,815	30,240	30,644	30,993	31,297	Total employment (ths)	31,568	31,734	31,724	31,927	32,087	32,223
1.1	*1.3*	*1.4*	*1.3*	*1.1*	*1.0*	*% change*	*0.9*	*0.5*	*-0.0*	*0.6*	*0.5*	*0.4*
7.4	6.1	5.2	4.8	4.5	4.0	Unemployment rate (%)	3.8	4.0	4.5	4.7	4.8	4.8
0.7	4.4	4.5	2.8	4.7	3.9	Personal income growth (%)	2.9	2.9	2.9	4.3	3.9	3.8
63,406	63,569	63,651	63,699	63,750	63,823	Population (ths)	63,899	63,952	64,008	64,137	64,278	64,414
4.9	-31.5	-96.6	-132.7	-91.3	-53.8	Net migration (ths)	-63.8	-98.1	-94.1	-18.5	-1.9	-0.6
67,389	69,514	68,017	70,343	72,182	72,434	Single-family permits (#)	72,495	83,314	113,510	140,973	142,476	137,505
65,686	74,658	121,201	73,597	80,275	80,251	Multifamily permits (#)	90,730	77,240	78,314	77,337	76,578	76,498
476	488	504	522	545	574	House price (1980Q1=100)	599	624	648	671	696	726
367	237	307	360	320	311	Mortgage originations ($ mil)	357	330	313	307	316	334
3,220.8	3,368.6	3,512.6	3,572.1	3,486.3	3,497.4	New vehicle registrations (ths)	3,443.6	3,407.2	3,510.7	3,772.6	3,774.8	3,674.4
147,706	134,024	120,351	115,036	117,033	119,118	Personal bankruptcies (#)	118,857	122,475	139,218	164,725	193,117	215,894

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Moody's Analytics

NEW YORK

ECONOMIC DRIVERS

FINANCIAL CENTER | MEDICAL CENTER | TOURIST DESTINATION

EMPLOYMENT GROWTH RANK

2018-2020	2018-2023
37	42
4th quintile	5th quintile

Best=1, Worst=54

RELATIVE COSTS

LIVING	BUSINESS
109%	98%
Rank: 10	Rank: 30

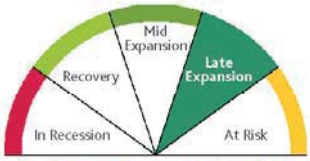
U.S.=100%

VITALITY

RELATIVE	RANK
89%	31

U.S.=100% | Best=1, Worst=51

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

» High per capita income and fast-growing tech sector.
» Skilled labor force.
» Financial capital of U.S.

WEAKNESSES

» Elevated business costs in New York City push some firms out of state.
» Declining population due to out-migration, especially outside of the five boroughs.
» Sizable state debt burden.

FORECAST RISKS

SHORT TERM ↓ | LONG TERM ↓

RISK EXPOSURE 2019-2024: **50** 5th quintile (Highest=1, Lowest=51)

UPSIDE

» More dovish monetary policy benefits sizable financial services sector.
» Aging population and low uninsured rate allow healthcare to sustain recent pace.

DOWNSIDE

» Less generous state and local tax and mortgage interest deductions further weaken housing market.
» Trade war, economic slowdown reduce Chinese tourist visits to New York City.

MOODY'S RATING

Aa1 AS OF DEC 12, 2016

ANALYSIS

Recent Performance. After lurking behind the curtain earlier this year, signs of weakness in New York's economy are taking center stage. Payrolls have flattened, and the unemployment rate is creeping higher despite a contracting labor force. Financial services were among the first dominoes to fall late last year, but softness is spreading. Weak residential and commercial real estate markets have slowed construction, and leisure/hospitality is down noticeably since the year began. Healthcare is leading the way forward, and the public sector has improved, helping to prevent outright job declines. Still, recession fears are rising, with four of the state's 14 metro areas either at risk or in recession; this is almost three times the national share.

Wall Street. After a rocky ride over the past year, financial services will stabilize but fail to grow meaningfully. Global weakness and the trade war with China have spooked investors, contributing to a sharp decline in securities industry employment to close 2018. Rebounding stock prices have brightened the picture, but troubles remain. Goldman Sachs and Deutsche Bank are cutting a small number of jobs, signaling a shift in the trajectory for finance in NY.

The Federal Reserve's interest rate cuts so far in 2019 have calmed jittery investors, but they create downside risk. Further cuts are now expected, meaning that any hint of tightening would wreak havoc with equity markets. And a national downturn could leave the Fed with limited options to stimulate the economy, exacerbating stock market declines. This makes NY vulnerable given its reliance on finance to create jobs, generate income, and support state coffers.

Leisure. The state will fall further behind the U.S. in leisure/hospitality. For much of this cycle, consumer industries have led the way, helped by a rising tide of visitors. But now trade tensions with China and slower growth overseas are reducing visits to New York City, with spending by Chinese visitors to the Big Apple falling more than 10% in the first quarter, according to Commerce Department data. A continued slowdown would set back hotels, restaurants and retailers.

Elsewhere in the state, NY's four recently built casinos are encountering issues. Resorts World Catskills, the state's largest casino, may face bankruptcy less than two years after opening, and its peers are also struggling. A saturated gambling market in the Northeast is largely to blame, compounded by softening confidence. The Siena College measure of consumer sentiment in New York is slipping far more rapidly than its national counterpart, holding back discretionary spending.

Housing. The housing market will remain an underachiever. NY recently became the nation's most foreclosure-riddled state, with twice the inventory of the third-highest state on a per household basis. A slow judicial process bears much of the blame, but weak population growth is also holding back demand. A limited supply of homes upstate means that prices are rising, but the GOP tax law from late 2017 is hurting the New York City area. A decline in median single-family prices immediately after the law went into effect is driving some of the slowest price appreciation in the U.S.. Combine this with a slowing luxury condo market in the Big Apple, and the short-term outlook is bleak.

The best of this cycle is in the past for New York. Payrolls will keep growing into 2020, but at a modest clip that will eventually give way to job losses. Financial services will stabilize following a difficult finish to last year, but consumer industries are poised to slump further. Longer term, weak demographics will weigh on housing and potential output, keeping the state an underperformer.

Adam Kamins *1-866-275-3266*
September 2019 *help@economy.com*

2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
1,319.3	1,348.2	1,369.1	1,388.3	1,407.2	1,437.0	Gross state product (C12$ bil)	1,473.5	1,489.4	1,509.1	1,543.0	1,569.5	1,595.3
8,957	9,123	9,289	9,434	9,560	9,677	Total employment (ths)	9,778	9,824	9,817	9,874	9,920	9,960
1.6	*1.9*	*1.8*	*1.6*	*1.3*	*1.2*	*% change*	*1.0*	*0.5*	*-0.1*	*0.6*	*0.5*	*0.4*
7.7	6.3	5.3	4.9	4.7	4.1	Unemployment rate (%)	4.0	4.3	4.9	5.1	5.1	5.2
1.5	4.1	4.2	3.0	6.0	4.6	Personal income growth (%)	2.0	2.1	2.5	4.2	3.8	3.7
19,628	19,656	19,661	19,642	19,591	19,542	Population (ths)	19,504	19,465	19,433	19,426	19,424	19,419
-33.2	-59.8	-80.7	-104.3	-120.6	-109.9	Net migration (ths)	-103.2	-110.5	-102.7	-77.9	-72.4	-72.9
10,078	10,386	10,065	10,243	10,361	10,033	Single-family permits (#)	10,493	13,694	19,181	23,875	24,025	23,151
22,503	25,900	64,546	23,468	28,989	27,745	Multifamily permits (#)	31,005	28,953	29,504	28,884	28,477	28,193
560	571	592	614	645	684	FHFA house price (1980Q1=100)	715	742	770	798	830	870
7.3	6.6	5.8	5.4	5.3	4.9	Mortgage delinquency rate (%)	5.2	5.0	5.1	5.2	5.2	5.1
931.5	966.6	1,012.7	1,048.1	1,030.2	1,024.3	New vehicle registrations (ths)	1,013.1	1,006.2	1,021.1	1,082.5	1,081.7	1,056.6
35,242	30,853	28,613	28,393	31,508	32,632	Personal bankruptcies (#)	33,340	35,345	41,318	48,816	56,566	61,578

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ECONOMIC HEALTH CHECK

3-MO MA

	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19
Employment, change, ths	13.3	14.2	13.4	9.5	4.1	2.1
Unemployment rate, %	3.9	3.9	3.9	4.0	4.0	4.0
Initial unemployment claims, ths	65.1	67.0	66.1	69.3	68.3	68.0
Labor force participation rate, %	61.3	61.3	61.2	61.1	61.0	60.8
Merchandise exports, $ bil	79.2	77.4	77.7	75.6	74.1	69.9
Average weekly hours, #	33.2	33.1	33.0	33.0	33.0	33.0
Industrial production, 2012=100	108.1	107.9	107.8	107.7	107.7	107.9
Residential permits, #	47,548	43,742	36,594	36,391	33,600	37,565

Better than prior 3-mo MA | Unchanged from prior 3-mo MA | Worse than prior 3-mo MA

Sources: BLS, Census Bureau, Dept. of Labor, Moody's Analytics

BUSINESS CYCLE INDEX

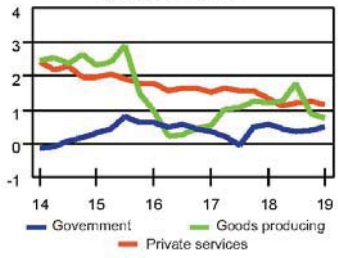
JAN 2009=100



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

% CHANGE YR AGO, 3-MO MA

	Aug 18	Feb 19	Aug 19
Total	1.3	1.1	0.9
Mining	8.7	1.9	1.9
Construction	3.0	3.1	2.0
Manufacturing	-0.2	0.4	-0.5
Trade	-0.9	-0.4	0.6
Trans/Utilities	1.6	1.2	1.2
Information	1.6	0.7	-0.0
Financial Activities	1.0	-0.3	-0.3
Prof & Business Svcs.	2.1	0.7	0.1
Edu & Health Svcs.	3.3	3.0	2.5
Leisure & Hospitality	0.4	0.9	1.3
Other Services	0.6	1.5	0.1
Government	0.7	0.4	0.5

Sources: BLS, Moody's Analytics

DIFFUSION INDEX

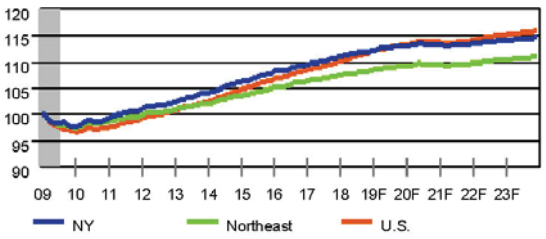
3-DIGIT NAICS LEVEL, 6-MO MA



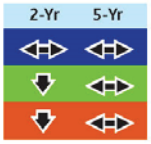
Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

JAN 2009=100



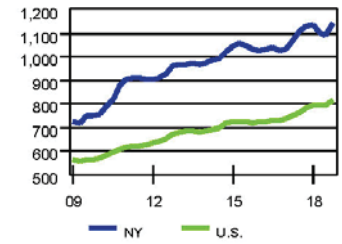
FORECAST VS. 6 MO PRIOR



Sources: BLS, Moody's Analytics

STATE TAX REVENUE

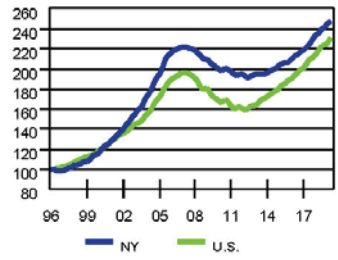
$ PER CAPITA



Sources: Census Bureau, Moody's Analytics

HOUSE PRICE

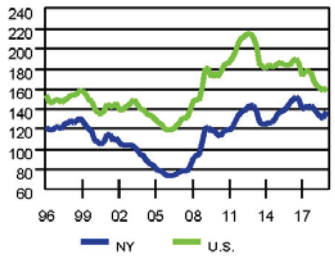
1996=100, NSA



Sources: FHFA, Moody's Analytics

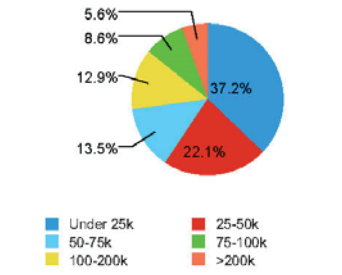
HOUSING AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE



Sources: NAR, Moody's Analytics

INCOME TAX DISTRIBUTION



Sources: IRS, Moody's Analytics, 2016

MOODY'S ANALYTICS / Précis® U.S. State / September 2019

PRÉCIS® U.S. STATE • New York

EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

Northwell Health	62,000
JPMorgan Chase & Co.	37,363
New York City Health and Hospitals Corp.	35,000
University of Rochester	27,590
Citibank NA	24,991
Altice USA	20,000
Wegmans Food Markets Inc.	19,898
Mount Sinai Medical Center	18,999
Continuum Health Partners Inc.	18,974
Diocese of Rockville Centre	17,000
NYU Langone Medical Center	16,649
Macy's	16,332
Rochester Regional Health System	15,753
Columbia University	14,847
Montefiore Medical Center	14,845
New York University	14,813
Verizon Communications	14,151
City University of New York	13,970
SUNY at Stony Brook	13,500
Bank of America	12,840

Sources: Combined lists, Moody's Analytics, 2017

PUBLIC

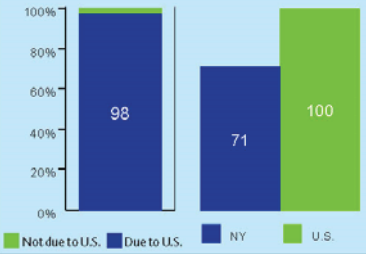
Federal	114,692
State	257,842
Local	1,116,217

2018

INDUSTRIAL DIVERSITY



EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

EMPLOYMENT IN NEW COMPANIES, % OF TOTAL



Sources: Census Bureau, Moody's Analytics, avg 2012-2016

MERCHANDISE EXPORTS

Destination	$ mil	% of total
World	84,455.2	100.0
Canada	16,339.7	19.3
Hong Kong	9,158.4	10.8
Switzerland	7,747.0	9.2
United Kingdom	6,431.3	7.6
Israel	4,906.1	5.8

Industry	$ mil	% of total
World	84,455.2	100.0
Miscellaneous manuf.	23,133.8	27.4
Primary metal manuf.	8,228.4	9.7
Computers, electronics	7,369.7	8.7
Unclassified, ($ mil., nsa)	6,344.2	7.5
Machinery manuf.	5,287.2	6.3

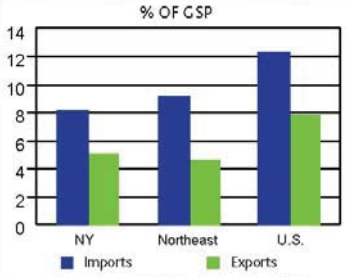
Sources: Census Bureau, Moody's Analytics, 2018

INDUSTRY EMPLOYMENT AND INCOME

	% OF TOTAL EMPLOYMENT		AVERAGE ANNUAL EARNINGS	
Sector	NY	U.S.	NY	U.S.
Mining	0.0	0.5	$173,764	$103,785
Construction	4.1	4.9	$79,920	$68,455
Manufacturing	4.6	8.5	$82,732	$83,365
Durable	*58.2*	*62.6*	*$87,082*	*$86,331*
Nondurable	*41.8*	*37.4*	*$76,886*	*$78,483*
Transportation/Utilities	3.1	4.0	$58,996	$60,890
Wholesale Trade	3.4	3.9	$98,631	$88,316
Retail Trade	9.7	10.6	$40,058	$35,245
Information	2.9	1.9	$155,268	$119,417
Financial Activities	7.4	5.7	$114,922	$59,540
Prof. and Bus. Services	13.9	14.1	$96,656	$71,767
Educ. and Health Services	21.3	15.9	$59,678	$56,400
Leisure and Hosp. Services	9.9	11.0	$39,482	$29,108
Other Services	4.3	3.9	$43,567	$38,639
Government	15.4	15.1	$98,352	$78,273

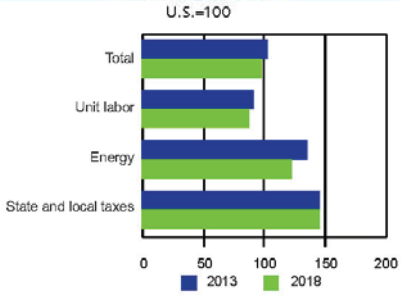
Sources: Percent of total employment — BLS, Moody's Analytics, 2018, Average annual earnings — BEA, Moody's Analytics, 2017

EXPOSURE TO GLOBAL MARKETS



Sources: Census Bureau, ACS, Moody's Analytics, 2018

BUSINESS COSTS



Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
NY	444.5	4.6
U.S.	7,261.0	4.9

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
NY	839.1	8.7
U.S.	14,296.2	9.6

Source: Moody's Analytics, 2018

LEADING INDUSTRIES BY WAGE TIER

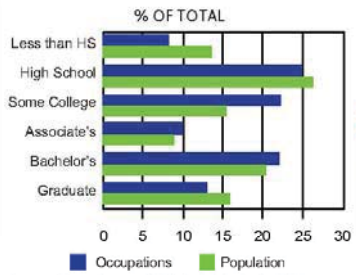
	NAICS	Industry	Location Quotient	Employees (ths)
HIGH	6221	General medical and surgical hospitals	1.2	357.3
HIGH	6211	Offices of physicians	1.0	162.5
HIGH	5511	Management of companies & enterprises	1.0	144.5
HIGH	2382	Building equipment contractors	1.0	141.3
MID	GVL	Local Government	1.2	1,115.6
MID	6113	Colleges, universities & prof. schools	2.8	318.2
MID	GVS	State Government	0.8	258.3
MID	5613	Employment services	0.8	188.0
LOW	7225	Restaurants and other eating places	0.9	593.9
LOW	6216	Home health care services	2.6	247.4
LOW	6241	Individual and family services	1.6	246.4
LOW	4451	Grocery stores	1.1	182.4

Source: Moody's Analytics, 2018

MOODY'S ANALYTICS / Précis® U.S. State / September 2019

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SKILLS MISMATCH



Sources: Census Bureau, ACS, Moody's Analytics, 2017

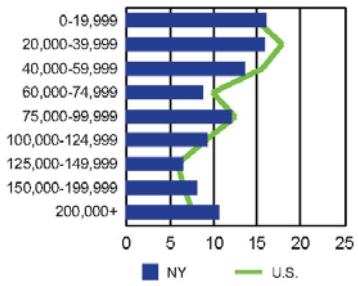


ECONOMIC DISENFRANCHISEMENT

Index	2017	Rank*
Gini coefficient	0.52	3
Palma ratio	3.9	2
Poverty rate	14.1%	18

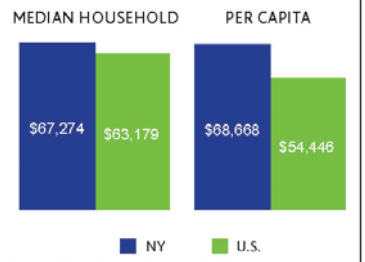
*Most unequal=1; Most equal=54

HOUSEHOLDS BY INCOME, %



Sources: Census Bureau, ACS, Moody's Analytics, 2018

INCOME



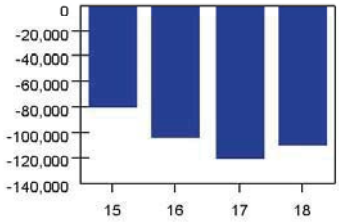
Sources: Census Bureau (household), 2018, BEA, 2018 (per capita), Moody's Analytics

MIGRATION FLOWS

INTO NEW YORK	NUMBER OF MIGRANTS
New Jersey	33,188
Florida	24,166
California	18,950
Pennsylvania	16,908
Texas	13,251
Connecticut	12,397
Massachusetts	10,566
North Carolina	8,949
Virginia	8,945
Maryland	7,159
Total in-migration	*229,862*

FROM NEW YORK	
Florida	62,650
New Jersey	55,640
California	30,104
Pennsylvania	27,355
North Carolina	22,335
Texas	20,909
Connecticut	19,603
Georgia	15,217
Virginia	13,672
Massachusetts	12,908
Total out-migration	*397,463*
Net migration	**-167,601**

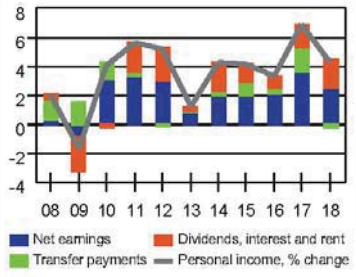
NET MIGRATION, #



	2015	2016	2017	2018
Domestic	-165,895	-193,186	-188,585	-180,306
Foreign	85,244	88,905	67,949	70,375
Total	-80,651	-104,281	-120,636	-109,931

Sources: IRS (top), 2016, Census Bureau, Moody's Analytics

PERSONAL INCOME GROWTH



Sources: BEA, Moody's Analytics

PRODUCTIVITY

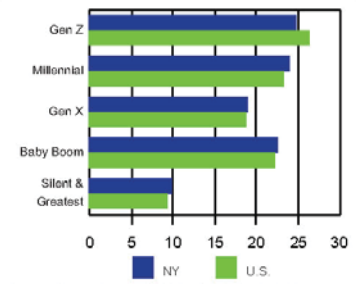
REAL OUTPUT PER WORKER, $



Sources: BEA, Moody's Analytics, 2018

GENERATIONAL BREAKDOWN

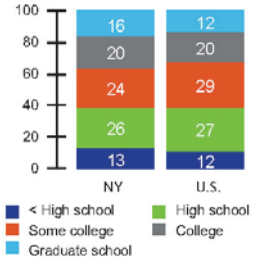
POPULATION BY GENERATION, %



Sources: Census Bureau, ACS, Moody's Analytics, 2018

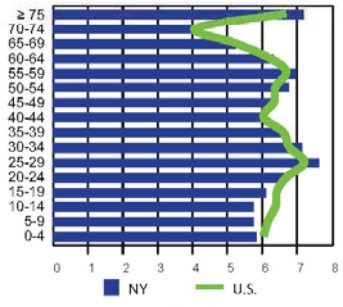
EDUCATIONAL ATTAINMENT

% OF POPULATION 25 AND OLDER



Sources: Census Bureau, ACS, Moody's Analytics, 2018

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2018

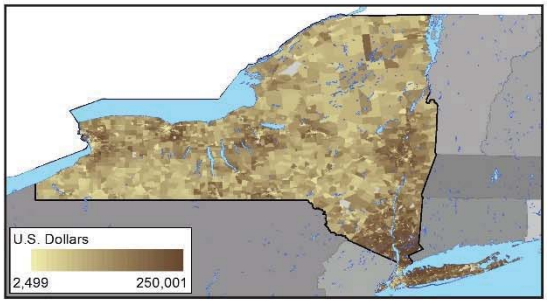
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GEOGRAPHIC PROFILE

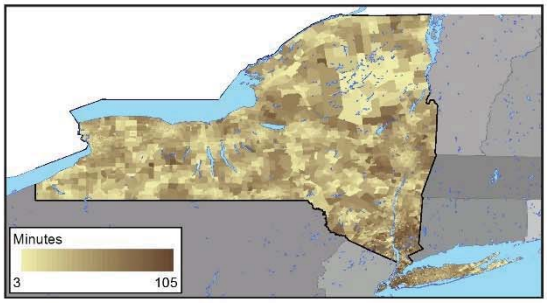
POPULATION DENSITY



MEDIAN HOUSEHOLD INCOME



MEDIAN COMMUTE TIME



POPULATION & HOUSING CHARACTERISTICS

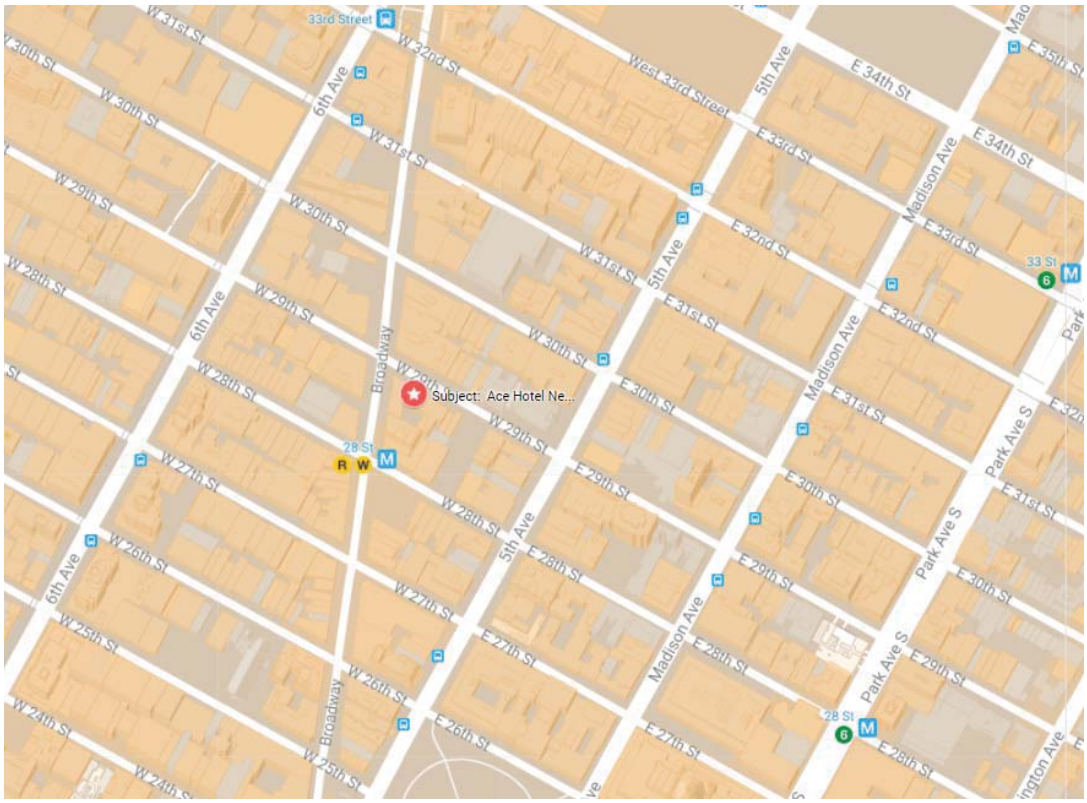
	Units	Value	Rank*
Total land area	sq mi	47,126.4	30
Population density	ratio population to land area	414.7	8
Total population	ths	19,542.2	4
White	% of population	55.4	40
Hispanic	% of population	19.2	9
Black	% of population	14.5	14
Asian	% of population	8.8	5
U.S. citizen at birth	% of population	74.7	50
Naturalized U.S. citizen	% of population	13.3	3
Not a U.S. citizen	% of population	9.5	3
Median age		39.0	21
Total housing units	ths	8,363.8	4
Owner occupied	% of total	47.3	50
Renter occupied	% of total	40.8	3
Vacant	% of total	11.9	31
1-unit; detached	% of total	41.8	50
1-unit; attached	% of total	5.0	19
Multifamily	% of total	50.9	2
Median year built		1957	

** Out of 51 states*

Sources: Census Bureau, Moody's Analytics, 2018 except land area 2010

Sources: ACS, Moody's Analytics

Neighborhood Analysis



Location & Access

The subject property is located in the NoMad neighborhood of the borough of Manhattan, within the City of New York, New York. The neighborhood boundaries are detailed as follows:

North:	Herald Square
South:	Madison Square Park
East:	Park Avenue
West:	Broadway/Sixth Avenue

NoMad, also known as "North of Madison Square Park," is a mixed-use neighborhood featuring a diverse array of uses including office, retail, and cultural attractions. Such uses include wholesale stores, parking lots, Class A and B office buildings, hotels, and service establishments. The subject is in a convenient location within Midtown South Manhattan and is accessible to a variety of demand generators. Adjacent neighborhoods include Madison Square, Chelsea, Flatiron, and Gramercy. Times Square is located less than 15 blocks northwest of the subject hotel.

The subject's immediate surrounding area is primarily populated by residential buildings, Class A and B office buildings, parking lots, and street level retail. Park Avenue, as well as Madison and Fifth Avenues, are primarily improved with major Class A and B midtown office buildings, hotels, restaurants, and

shopping areas. Other demand generators in the area include Class A offices from Fifth and Sixth Avenues, including the renovated 200 Fifth Avenue which houses Grey Advertising and Tiffany and Co.; the famed Eataly Market near Madison Square Park; and the numerous retail establishments on West 34th Street and Herald Square. Herald Square also features a plethora of chain retail stores such as Victoria's Secret, the GAP, Macy's, and Foot Locker.

Credit Suisse's U.S. corporate headquarters is located five blocks south at East 24th Street and Madison Avenue. L-3 Communications' headquarters is also situated in Murray Hill. Sumitomo Corporation operates its New York office, which is the headquarters of the United States operations, in the same building as the L-3 Communications headquarters. Industries supported by the office include Aerospace and Defense, Agricultural Commodities, Agrochemicals, Business Investment, Chemicals, Fertilizer, Information Technology, Latin American Operations, Living Related Products, Media and IT Venture Group, Meat Products, Presidio Venture Partners, Ship, Real Estate, Transportation Systems and Equipment, and Tubular Products. China Airlines also operates its New York branch office at 633 Third Avenue.

In addition to office buildings, the area features a diverse range of property types including hotel, theater, retail, multi-family residential, cultural, recreational, and educational. The area is currently the site of the recently developed Second Avenue subway line and the 7 subway line extension. The subject site is situated in a heavily traveled area and benefits from its location south of Grand Central Terminal, as well as its close proximity to the core of Midtown Manhattan.

Demand Generators

Hotel demand for the neighborhood is primarily generated by a heavy concentration of surrounding office development and large employers in the area such as Credit Suisse, JPMorgan Chase, Digitas, Essence Digital, LVMH, Piksel, Madison Square Garden, Cablevision, Fuse Networks, BOMA, ING, Emigrant Savings Bank, and Vornado Realty. There is also a large retail and wholesale shopping presence in the area due to the proximity to the Garment and Textile neighborhoods in Manhattan, and various leisure sites. Major retailers in the area include Macy's, Victoria's Secret, Lord & Taylor and H&M, while major leisure sites within walking distance include the Empire State Building, Herald Square, Bryant Park, Madison Square Park and Union Square.

Madison Square Park is three blocks south of the subject property. The corporate headquarters of Credit Suisse U.S. is located at East 24th Street and Madison Avenue. Also located nearby are Pennsylvania Station, and branches for educational centers such as CUNY, Baruch College, FIT and NYU. Nightlife in the area has also become increasingly popular with the recent gentrification of the area within the past several years. There are several prominent bars in the area such as Jay-Z's 40/40 Club, The Ainsworth, and The Flatiron Hall, in addition to an increased number of cafes and franchised licensed retail outlets ranging from Chipotle and Starbucks to Best Buy, Whole Foods Market, and CVS Pharmacy.

The Midtown South area of New York is home to several creative industries, inclusive of fashion, technology, telecommunications, media, biotechnology and more, bringing both business and demand to the area alike. The popularity of the neighborhood is apparent through the high rents and low vacancy rates throughout the past few years.

New West Side Redevelopment

The subject market is located adjacent to the New West Side neighborhood commonly known as "Hudson Yards" of Midtown Manhattan. Hudson Yards is defined as being bound by West 42nd Street to the north, West 30th Street to the south, Hudson River/West Side Highway to the west, and Eighth Avenue to the east.

In order to transform one of Manhattan's last undeveloped areas, the City of New York, the State of New York, and the Metropolitan Transportation Authority have initiated major investments in mass transit, new parks and cultural and recreational facilities directly adjacent to the Hudson Yards neighborhood by rezoning the area which allows redevelopment with manufacturing, commercial, and residential uses. This major project is jointly planned, funded, and constructed by the City of New York, the State of New York and the Metropolitan Transportation Authority. The project includes the extension of the No. 7 Subway and renovation of the Jacob K. Javits Convention Center.

No. 7 Train

Transportation to this area has been enhanced through the extension of the No. 7 subway line. The west bound No. 7 train formerly terminated at 42nd Street and Seventh Avenue; the Hudson Yards proposal called for a new terminus southward at 34th Street and Eleventh Avenue (Hudson Boulevard). This station, which experienced its first riders on September 13, 2015, was the first New York City subway station to open in the last 25 years.

Jacob K. Javits Convention Center

The large convention center, located on Eleventh Avenue between West 34th and West 40th Streets, was built between 1980 and 1986, and is the largest in New York City. Operated and maintained by the New York City Convention Center Operating Corporation, the Javits Center contains approximately 1.8 million square feet of convention space and 840,000 square feet of exhibit space. Although the convention center is the 12th largest in the United States, it is one of the busiest.

In 2018, Javits Center held 180 events, and generated $2 billion economic activity to Midtown West, which supported 18,100 jobs in the neighborhood. Some events include New York Comic Con, New York International Automobile Show, Salesforce World and Youtube Brandcast.

The most recently completed 110,000-square-foot expansion of the Javits Center, which cost an estimated $465 million, began in 2010 and was completed in November 2013. The expansion was meant to retain existing yearly tenants who were reportedly threatening to move their business to other cities.

In January 2016, Governor Cuomo of New York announced the Javits Center would expand again, growing to 3.3 million square feet at the cost of approximately $1.5 billion (revised). The addition is expected to be home to New York City's largest ballroom (58,000 square feet), as well as add five times the meeting space that currently exists. In addition, these plans call for 22,000 square feet of rooftop amenities and outdoor space as well as a 4-level parking facility. The planned project is estimated to create 4,000 full-time jobs and an additional 2,000 part-time jobs. Construction commenced in March 2017 and is expected to be completed by 2021.

Hudson Yards Masterplan

Hudson Yards is defined by bounds of 42nd street to the north, West 30th street to the south, Hudson River Highway to the west and Eighth Avenue to the east. Developers Related Companies and Oxford Properties Group have collaborated in this 28-acre initiative. Master plans call for the redevelopment of the site with 17 million square feet of commercial and residential space, 5 state-of-the-art office towers, more than 100 shops, 20 restaurants, nearly 5,000 residences, cultural space, 14 acres of public open space, 750-seat public school, and a 150-room Equinox luxury hotel. This will be the largest private real estate development in the history of the United States and the largest development in New York City since Rockefeller Center. It is anticipated that more than 24 million people will visit Hudson Yards every year.

The following represents the site plans for the Hudson Yards Redevelopment Project:



Source: Hudson Yards

Hudson Yards is a city being built not on land but on elevated platforms. An intricate component of the development of Hudson Yards is the construction of two platforms over 30 active Long Island Rail Road train tracks, three subsurface rail tunnels utilized by Amtrak and New Jersey Transit, and a fourth passageway known as the Gateway Tunnel. The platforms cover nearly three quarters of the rail yard and buildings are anticipated to be built through and above the platforms. Building this city on stilts is one of the most challenging engineering projects in Manhattan real estate since the construction of Grand Central Terminal in the 20th century. Considered as one of the most advanced in U.S. commercial real estate developments, Hudson Yards is expected to add about $19 billion annually to New York City's gross domestic product once the entire development is completed in 2025 with retail and corporate demand change.

Preparations began at the end of 2013 and caisson drilling was underway near 30th Street and Tenth Avenue in March 2014. Almost all caissons were in place by the end of 2014, which then allowed for the placement of structural steel columns, beams and trusses to take place. The Eastern Rail Yard platform was the first constructed platform, completed in the second half of 2015.

Phase I of the development focuses on the Eastern Rail Yard, which spans from Tenth Avenue to Eleventh Avenue between West 30th and West 34th Streets and will total 11,220,000 square feet upon completion. Included in this phase is office space within 10 Hudson Yards (1,700,000 SF, completed Q4 2016), 15 Hudson Yards (1,000,000 SF), 30 Hudson Yards (2,600,000 SF, proposed completion Q4 2019), 35 Hudson Yards, 50 Hudson Yards (2,300,000 SF) and 55 Hudson Yards (1,300,000 SF), retail space (1,050,000 SF, completed Q4 2018), a hotel (220,000 SF, proposed completion Q4 2019), residential units (1,870,000 SF), and culture shed (180,000 SF). Thus far, the construction of 10 Hudson Yards is completed, topping out at 895 feet and 52-stories tall.

Many headquarters are making a westward shift of New York's corporate landscape toward the Hudson River due to its focus on business innovation and appeal to millennial workers. The three properties that are fully leased as commercial space are include 10, 30, and 55 Hudson Yards. Additionally, three other mixed-use buildings have several floors of office space. Thus far, Hudson Yards has attracted Amazon, Ernst & Young, BlackRock Inc., Coach, L'Oréal, Accenture, Skadden, KRR, VaynerMedia etc. Of the 7.4 million total square feet of commercial office space that is anticipated to be occupied by companies that have relocated to Hudson Yards, 30% are financial services firms, 23% are television and entertainment companies, 16% are cosmetics and pharmaceuticals companies, and 14% are legal services. In the past 5 years, commercial tenants occupying approximately 10 million square feet of leased office space have either moved or are planning to move from Midtown.

Major tenants that have already filled space in 10 Hudson Yards include Coach, Inc., L'Oréal USA, SAP, Intersection, Sidewalk Labs, VaynerMedia and Boston Consulting Group including BCG Digital. In January 2016, demolition began at Related Companies' 34th Street site (50 Hudson Yards). Construction was completed and the space opened to the public in March 2019. In November 2019, Facebook announced it executed a lease for more than 1.5 million square feet of office space at Hudson Yards. The lease includes approximately 1.2 million square feet at 50 Hudson Yards, 265,000 square feet at 30 Hudson Yards, and 57,000 square feet at 55 Hudson Yards. Facebook is anticipated to commence this office expansion at Hudson Yards in 2020.

Another prominent skyscraper recently completed in 2019 at 30 Hudson Yards, with 2.6 million square feet. At 1,296 feet high, the structure is the second tallest office building in New York. 30 Hudson Yards is anticipated to be home to leading media, business and financial companies including HBO, CNN, Turner Broadcasting, Time Warner, Inc., KKR & Co. and Wells Fargo Securities. In addition, on the 100th floor of the structure, a 7,500-square-foot outdoor viewing area known as the "Edge" is anticipated to open in March 2020. The "Edge" is anticipated to be the tallest outdoor observation deck in the Western Hemisphere with the observatory deck at approximately 1,131 feet above ground. The 101st floor of the building will also feature a 10,000 square-foot restaurant and event space. The following is the rendering of the "Edge" observation deck:



Source: Related Companies

55 Hudson Yards is the third commercial tower. At 780 feet and 1.3 million square feet, it will be home to MarketAxess, Milbank and Boies, Schiller & Flexner, LLP. The office towers are part of the overall master plan that includes 4,000 residences, a new hotel and a dynamic retail space that will feature more than 100 luxury and specialty shops, include Manhattan's first ever Neiman Marcus store. The retail component includes a collection of restaurants that overlook the Public Square and Gardens, and opened to the public in March 2019.

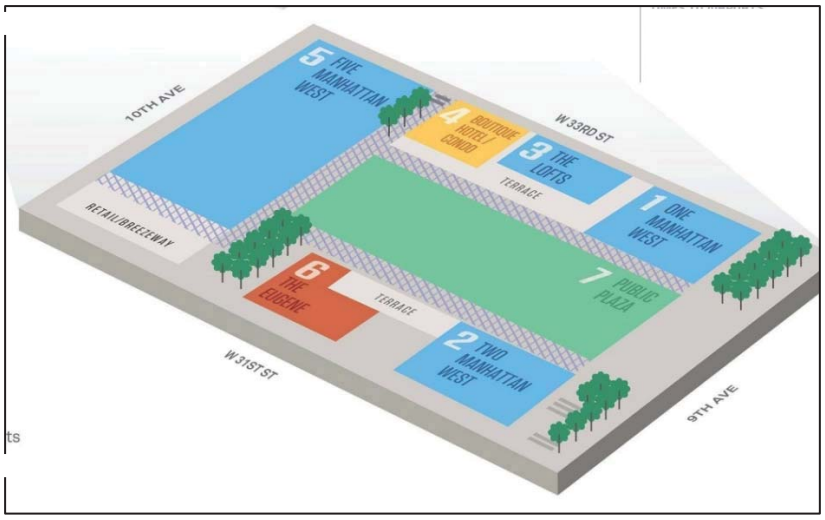
The development of the western side of Hudson Yards will commence in Phase II. Phase II includes 2,000,000 square feet of office space, 4,000,000 square feet of residential space, 100,000 square feet of retail space, and a 750-seat public school to be created by 2024.

Manhattan West

The subject property is situated within walking distance of the Manhattan West development, a seven million-square-foot project within the Hudson Yards District of Manhattan. Spearheaded by Brookfield Office Properties, the Manhattan West project stretches from Ninth to Tenth Avenues between West 31st and West 33rd Streets. Currently under construction, the $4.5 billion complex will include the following:

- *One Manhattan West*: 2.1 million square feet, 67 stories, 35,000 rentable square feet per floor (Proposed Completion Date: Q3 2019)
- *Two Manhattan West*: 1.9 million square feet, 62 stories, 32,000 rentable square feet per floor (Proposed Completion Date: 2021)
- *The Lofts*: 202,000 square feet, 13 stories, 15,000 rentable square feet per floor
- *Boutique Hotel/Condo*: 150 hotel rooms, 40 condominium residences, 30 floors
- *Five Manhattan West*: 1.7 million square feet, 16 stories, 100,000 rentable square feet per floor (Completed Q2 2017)
- *The Eugene*: 844 residential units, 62 stories, 50,000 square feet of amenities (Completed Q1 2017)
- *Public Plaza*: 2 acres, landscaped gardens
- *Retail*: 240,000 square feet, large format retail, in-line shops and restaurants

The plans for the five-acre site were made possible due to a constructed 120,000-square-foot platform over the existing railroad tracks and tunnels which currently traverse the land. The construction of this platform was completed in Q4 2014.



Source: Manhattan West

Opened in Q2 2017, the newly renovated West Office Tower located at 5 Manhattan West currently leases 140,000 square feet of office space to London-based global financial data provider, Markit, and 125,000 square feet of office space on the first floor to FinTech (financial technology arm of JPMorgan Chase). As of February 2018, 650,000 square feet had been leased between Hudson Yards and Manhattan West.

3 Hudson Boulevard

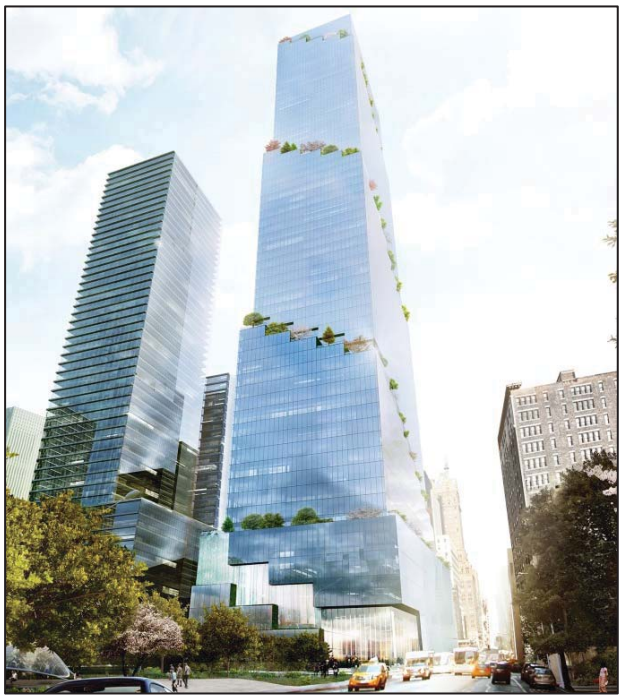
Additionally of note, developer Joseph Moinian is constructing 3 Hudson Boulevard, a 1,000-foot tall (56 stories), 1.53 million square foot, LEED Platinum skyscraper within the Hudson Yards District. The The building will contain commercial space on the lower half, and 1,174 residential units, 235 of which will be affordable housing, on the upper portion. In May 2016, foundation work began on the 66-story, $2 billion office tower at 3 Hudson Boulevard, located between Eleventh Avenue and Hudson Boulevard and West 34th and West 35th Streets. In May 2019, Boston Properties partnered with Moinian Group to provide nearly $500 million of equity for the project. Construction is expected to complete in 2023.



Source: New York Post

The Spiral

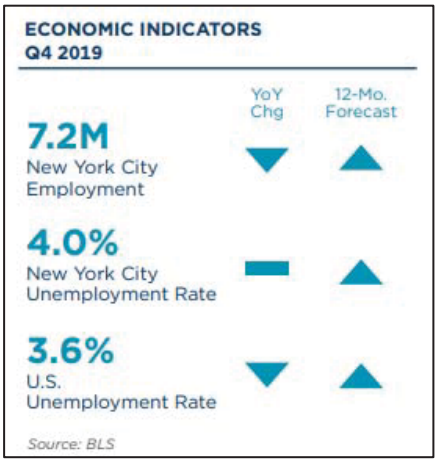
Developer Tishman Speyer is currently building a 65-story office tower. The 1,005-foot-tall skyscraper will comprise 2.85 million square feet including 27,000 square feet of first-class retail, and will be located on Hudson boulevard, occupying an entire city block between 34th and 35th Streets. In January 2020, Debevoise & Plimpton LLP announced its lease of 530,000 square feet of office space in the tower. The global law firm expects to relocate its headquarters from 919 Third Avenue in the second half of 2022.



Source: New York YIMBY

Office Market

The Manhattan office market has been experiencing additions to supply with more in the pipeline; performance indicators are mixed, though strong overall. . Comparing Q4 2018 to Q4 2019, vacancies have increased from 9.2 percent to 11.1 percent, while the average rental rate per square foot increased from $72.28 to $73.41, respectively. The charts below summarize the office market landscape in Q4 2019.









Source: Cushman & Wakefield Manhattan Office Snapshot, Q4 2019

Furthermore, the below table displays these indicators on a more granular level, by submarket throughout Manhattan. The subject is located in the Madison/Union Square submarket.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
East Side/UN	21,280,773	602,699	1,994,489	12.2%	-554,022	-863,099	927,900	–	$73.49	$74.31
Grand Central	44,065,875	950,889	4,808,844	13.1%	-278,512	91,536	3,448,823	1,732,955	$73.29	$76.70
Madison/Fifth	23,776,127	589,833	3,221,274	16.0%	135,829	-742,210	1,719,617	–	$89.66	$94.55
Murray Hill	14,142,543	387,436	1,052,502	10.2%	77,617	-229,743	1,153,886	–	$60.40	$64.92
Park Avenue	21,350,326	665,704	1,688,329	11.0%	-131,985	-704,491	1,187,127	657,700	$97.35	$97.35
Penn Station	22,690,661	604,010	1,279,751	8.3%	5,360,472	4,909,752	5,171,347	8,403,439	$95.50	$109.40
Sixth Avenue/Rock Center	41,816,982	979,923	2,663,037	8.7%	1,474,648	1,530,373	2,481,192	84,000	$79.98	$80.85
Times Square South	30,640,388	1,137,920	2,333,303	11.3%	38,357	-976,117	2,245,100	–	$55.77	$68.62
West Side	30,981,301	1,254,233	2,821,356	13.2%	-187,112	-705,797	2,104,762	–	$71.48	$72.60
MIDTOWN TOTALS	**250,744,976**	**7,172,647**	**21,862,885**	**11.6%**	**5,935,292**	**2,310,204**	**20,439,754**	**10,878,094**	**$76.80**	**$83.12**
Chelsea	17,015,779	533,387	1,055,715	9.3%	-320,763	-295,676	1,529,094	390,053	$71.19	$93.22
Greenwich/NoHo	4,820,157	96,913	203,702	6.2%	-21,111	-164,494	167,472	212,609	$69.59	$49.00
Hudson Square/West Village	10,090,675	307,191	345,472	6.5%	54,457	717,752	2,680,733	1,300,000	$91.02	$114.51
Madison/Union Square	32,285,858	676,616	2,046,716	8.4%	66,086	-417,859	2,158,760	452,000	$73.78	$85.27
SoHo	4,139,332	177,623	364,470	13.1%	-14,206	-44,089	388,197	–	$86.50	$115.32
MIDTOWN SOUTH TOTALS	**68,351,801**	**1,791,730**	**4,016,075****	**8.5%**	**-235,537**	**-204,366**	**6,924,256**	**2,354,662****	**$75.73**	**$94.00**
City Hall	7,690,533	64,874	616,124	8.9%	4,465	-468,063	190,957	–	$61.36	$47.32
Financial East	33,823,294	675,307	3,678,351	12.9%	-501,271	-92,211	2,743,515	48,077	$58.63	$61.25
Financial West	6,017,928	100,971	1,098,352	19.9%	132,427	-45,545	550,519	185,295	$58.87	$55.38
Insurance	13,000,604	199,325	1,000,670	9.2%	35,464	240,342	1,066,716	51,755	$59.29	$67.19
TriBeCa	5,124,468	49,645	106,130	3.0%	72,162	42,718	193,492	–	$71.24	$71.71
World Trade	24,103,907	1,099,864	1,774,958	11.9%	-72,479	772,685	2,566,916	40,504	$71.55	$71.59
DOWNTOWN TOTALS	**89,760,734**	**2,189,986**	**8,274,585**	**11.7%**	**-329,232**	**449,926**	**7,312,115****	**325,631**	**$62.70**	**$65.90**
MANHATTAN TOTALS	**408,857,511**	**11,154,363**	**34,153,545**	**11.1%**	**5,370,523**	**2,555,764**	**34,676,125**	**13,558,387**	**$73.41**	**$79.82**

**Rental rates reflect full service asking ** Not reflective of U.S. Tables*

Source: Cushman & Wakefield Manhattan Marketbeat Office Snapshot, Q4 2019

Retail Market

At the close of the fourth quarter of 2019, Manhattan's retail market asking rents for direct and sublease space experienced a decrease in many of the Manhattan retail submarkets. In addition, many availability rates have recorded a year-over-year increase.

Following trends from earlier in the year, asking rents for direct and sublease space continued to decline, indicative of continued competitive available spaces.

The below table displays these indicators on a more granular level, by submarket throughout Manhattan.

MARKET STATISTICS

SUBMARKET	Q4 2019 ASKING RENT	% CHANGE YOY	Q4 2019 AVAILABILITY RATE	% POINT CHANGE YOY
Fifth Avenue (42nd-49th Streets)	$831	-16.6%	14.8%	-8.5%
Fifth Avenue (49th-60th Streets)	$2,673	0.2%	26.5%	-1.0%
Fifth Avenue (49th-60th Streets) Direct space only	$2,843	6.0%	11.8%	-2.7%
Madison Avenue (East 57th-East 72nd Streets)	$921	-21.8%	24.9%	-3.3%
SoHo (Broadway to West Broadway)	$370	-10.6%	23.8%	-0.7%
Third Avenue (East 57th Street-East 79th Street)	$230	-4.2%	17.6%	-1.6%
Times Square Bow Tie (Broadway and Seventh, 42nd-49th Streets)	$2,005	-2.2%	27.5%	7.5%
Upper West Side (Broadway and Columbus Avenue)	$326	-1.8%	13.8%	3.4%
Flatiron/Union Square West (Fifth, Broadway)	$351	-18.9%	19.6%	5.7%
Meatpacking	$367	3.7%	21.3%	-2.8%
Herald Square/West 34th Street (Fifth Avenue-Seventh Avenue)	$489	-20.6%	26.2%	-6.6%
Lower Manhattan (Broadway, Wall and Fulton Streets)	$366	1.1%	18.2%	2.9%

**Rental rates reflect gross asking $PSF/Year*

Source: Cushman & Wakefield Marketbeat Retail Snapshot, Q4 2019

There is uncertainty given the rising availability rates in every major Manhattan retail submarket as new stores come to market. This trend indicates a slowdown in leasing activity, as tenants taper demand due to overall margins constricted by pressure from e-commerce retailers. Leasing activity has increased mainly in the food and beverage industry, driven by the expanding quick service restaurants sector. Despite the slowdown in the retail market, the long-term outlook for the Manhattan retail market is optimistic, with steady employment growth, healthy consumer spending and increasing tourism.

Conclusion

This area is improved primarily with Class A and B office buildings, with retail and service establishments located at street level, although there are some ancillary uses such as hotels and residential towers. The neighborhood benefits from its proximity to numerous New York City demand generators including the Madison Square Garden, High Line Park, Madison Square Park, as well as a vast amount of transportation options. We anticipate that the subject neighborhood will continue to transform and experience notable growth as a commercial, residential and tourist market going forward. However, as discussed in the hotel development pipeline section later in this report, there is risk associated with all the new hotel supply proposed in Midtown South market of Manhattan.

New York City Lodging Market Analysis

New York City Lodging Performance

New York City has enjoyed strong demand from the corporate, group, and leisure sectors, and has the highest average daily rate, occupancy and RevPAR levels within the United States. New York City has experienced record-breaking visitation in each of the previous seven years, with 65.1 million visitors in 2018 alone, which was a 3.7% increase over 2017 visitation. New York City is expected to maintain its competitive advantages over other cities in the U.S., which in fact is still number one in the U.S. in terms of RevPAR and demand. New York City is home to one of the largest tourism and hotel industries in the world and the third-largest hotel market in the United States, behind Las Vegas and Orlando. The City as a whole has almost 119,000 hotel rooms, and Manhattan alone had over 92,000 existing hotel rooms as of the end of 2018, which is planned to continue to grow rapidly given the numerous properties under development and in planning. Per information published by NYC & Company, hotel inventory across the City is anticipated to reach 137,000 rooms by 2021. Hotels continue to be developed in New York City as demand from domestic and international markets continue to grow, with record tourism visitation statistics in each of the past seven years. This growth is led by visitors from United Kingdom, China, and Canada, each of which broke 1 million visitors in 2018. Brazil is the fourth-largest international source of visitors to New York City, followed by France, Australia, and Germany. The following tables detail hotels that have recently opened, are under construction, or in planning phases in Manhattan alone.

Recently Opened

Name	Address	Neighborhood	Keys	Brand	Chainscale	Open Date
Courtyard by Marriott Midtown West	461 West 34th Street	Hudson Yards	399	Courtyard by Marriott	Upscale	November 2019
Hyatt Place Times Square	350 West 39th Street	Midtown West	520	Hyatt Place	Upscale	November 2019
La Quinta Inns and Suites by Wyndham	333 West 38th Street	Midtown West	79	La Quinta	Upper Midscale	September 2019
Moxy East Village	112 East 11th Street	East Village	285	Moxy	Upper Midscale	September 2019
Wingate by Wyndham	11 West 37th Street	Murray Hill	68	Wingate	Upper Midscale	September 2019
Hotel Hendricks	25 West 38th Street	Times Square South	176	Independent	Luxury	July 2019
Equinox Hotel Hudson Yards	500 West 33rd Street	Hudson Yards	212	Equinox	Luxury	July 2019
Selina Hotel	138 Bowery	Lower East Side	90	Selina	Upscale	June 2019
SpringHill Suites	338 West 36th Street	Midtown West	284	SpringHill Suites	Upscale	April 2019
Fairfield Inn & Suites	338 West 36th Street	Midtown West	286	Fairfield Inn & Suites	Upper Midscale	April 2019
The Artezen Hotel	24 John Street	Financial District	128	Independent	Luxury	April 2019
Sister City Hotel	225 Bowery	Lower East Side	200	Ace	Upper Upscale	March 2019
The Times Square EDITION	701 Seventh Avenue	Times Square	452	Edition	Luxury	February 2019
Moxy Chelsea	105 West 28th Street	Chelsea	348	Moxy	Upper Midscale	February 2019
Staypineapple, an Artful Hotel	337 West 36th Street	Midtown West	88	Staypineapple	Midscale	January 2019
TownePlace Suites by Marriott	326 West 44th Street	Times Square	113	TownePlace Suites	Upper Midscale	November 2018
Park Terrace Hotel	18 West 40th Street	Times Square South	226	Independent	Upscale	November 2018
Moxy NYC Downtown	26 Ann Street	Financial District	228	Moxy	Upper Midscale	October 2018
Aliz Hotel Times Square	310 West 40th Street	Times Square	287	Aliz	Upper Upscale	October 2018
AC Hotel Downtown	151 Maiden Lane	Financial District	274	AC Hotel	Upscale	October 2018
CitizenM Hotel	189 Bowery	Lower East Side	315	CitizenM	Upscale	September 2018
Mr. C Seaport Hotel	33 Peck Slip	Seaport District	66	Cipriani	Luxury	July 2018
Assemblage Hotel John Street	17 John Street	Financial District	79	Independent	Luxury	April 2018
AC Hotel New York Times Square	260 West 40th Street	Times Square South	290	AC Hotel	Upscale	April 2018
Pod Times Square Hotel	400 West 42nd Street	Midtown West	527	Pod Hotels	Upper Midscale	January 2018
Embassy Suites by Hilton	60 West 37th Street	Times Square South	310	Embassy Suites	Upper Upscale	January 2018
Freehand New York	23 Lexington Avenue	Flatiron District	396	Freehand	Upper Midscale	January 2018
Fairfield Inn & Suites by Marriott	100 Greenwich Street	Financial District	192	Fairfield Inn & Suites	Upper Midscale	2017
Cachet Boutique NYC	508 West 42nd Street	Midtown West	105	Independent	Upper Upscale	2017
Hilton Garden Inn Times Square South	326 West 37th Street	Times Square South	252	Hilton Garden Inn	Upscale	2017
Mondrian Park Avenue	444 Park Avenue South	NoMad	190	Mondrian	Luxury	2017
Hilton Garden Inn Financial Center	6 Water Street	Financial District	249	Hilton Garden Inn	Upscale	2017
The Allen Hotel	88 Allen Street	Lower East Side	45	Independent	Upper Upscale	2017
Moxy Hotel Times Square South	485 Seventh Avenue	Times Square South	612	Moxy	Upper Midscale	2017
Crowne Plaza New York HY36	320 West 36th Street	Midtown West	251	Crowne Plaza	Upscale	2017
MADE Hotel	44 West 29th Street	NoMad	108	Independent	Upscale	2017
James NoMad	88 Madison Avenue	NoMad	344	James Hotel	Upper Upscale	2017
PUBLIC Hotel	215 Chrystie Street	Lower East Side	370	Independent	Luxury	2017
Hotel 50 Bowery	50 Bowery	Lower East Side	229	Joie de Vivre	Upper Upscale	2017
Life Hotel	19 West 31st Street	NoMad	98	Independent	Upscale	2017
Hyatt House Manhattan Chelsea	815 Sixth Avenue	Chelsea	150	Hyatt House	Upscale	2017
LUMA Hotel Times Square	120 West 41st Street	Times Square South	130	Independent	Upper Upscale	2017
The Whitby Hotel	18 West 56th Street	Central Park South	86	Firmdale Hotels	Luxury	2017
Four Points by Sheraton Midtown West	444 Tenth Avenue	Midtown West	148	Four Points	Upscale	2017
Doubletree by Hilton Times Square West	346 West 40th Street	Midtown West	612	Doubletree	Upscale	2017

Compiled by LW Hospitality Advisors

Under Construction						
Name	**Address**		**Keys**	**Brand**	**Chainscale**	**Opening Date**
Renaissance New York Chelsea	11 West 25th Street	Chelsea	341	Renaissance	Upper Upscale	December 2019
Radisson Hotel New York City Manhattan/Times Square	525 Eighth Avenue	Times Square	320	Radisson	Upscale	December 2019
SpringHill Suites Gramercy Park	111 East 24th Street	Gramercy	130	SpringHill Suites	Upscale	January 2020
The Pestana New York	23 East 39th Street	Murray Hill	96	Pestana	Upper Upscale	February 2020
Courtyard by Marriott Financial District	215 Pearl Street	Financial District	200	Courtyard by Marriott	Upscale	February 2020
Residence Inn Financial District	215 Pearl Street	Financial District	120	Residence Inn	Upscale	February 2020
Hotel Chelsea	222 West 23rd Street	Chelsea	125	Independent	N/A	March 2020
The FIDI	11 Stone Street	Financial District	143	Independent	Upscale	April 2020
The Allen	139 Orchard Street	Lower East Side	96	Independent		April 2020
Hyatt Centric	16 East 39th Street	Times Square South	164	Hyatt Centric	Upper Upscale	May 2020
Hilton Grand Vacation	12 East 48th Street	Midtown East	161	Hilton Grand Vacation	Upper Upscale	May 2020
Graduate Hotel Roosevelt Island	900 Main Street	Roosevelt Island	224	Graduate	Upscale	Spring 2020
TownePlace Suites by Marriott	140 West 28th Street	Chelsea	531	TownePlace Suites	Upper Midscale	June 2020
SpringHill Suites by Marriott	140 West 28th Street	Chelsea	combined	SpringHill Suites	Upscale	June 2020
Six Senses New York	76 11th Street	Chelsea	137	Six Senses	Luxury	June 2020
The Pestana CR7 New York Hotel	338 West 39th Street	Midtown West	177	Pestana	Luxury	June 2020
Le Meridien	292 Fifth Avenue	NoMad	182	Le Meridien	Upper Upscale	June 2020
Unnamed Hotel Project	16 East 30th Street	NoMad	102	TBD	N/A	August 2020
Renaissance Hotel	233 West 125th Street	Harlem	210	Renaissance	Luxury	August 2020
Hotel Indigo New York	120-122 Water Street	Financial District	122	Hotel Indigo	Upscale	November 2020
Hotel Indigo	8-12 Maiden Lane	Financial District	190	Hotel Indigo	Upscale	November 2020
RH Guesthouse (Restoration Hardware Hotel)	55 Gansevoort Street	Meatpacking District	14	Independent	Upper Upscale	December 2020
Motto by Hilton	113-117 West 24th Street	Chelsea	375	Motto	Upscale	December 2020
Aman Hotel	730 Fifth Avenue	Midtown East	79	Aman	Luxury	December 2020
Unnamed Hotel Project	150 Sixth Avenue	Midtown East	310	Independent	N/A	2020
The Draper	4 West 37th Street	Midtown West	139	Independent	N/A	January 2021
BMB Hotel	10 South Street	Seaport District	61	Independent	N/A	January 2021
aloft Hotel	132 West 28th Street	NoMad	203	aloft	Upscale	January 2021
Arlo Midtown	351 West 38th Street	Midtown West	495	Arlo	Upper Midscale	February 2021
Margaritaville Hotel	560 Seventh Avenue	Times Square South	238	Margaritaville	Upscale	March 2021
Hard Rock Hotel New York	151-159 West 48th Street	Times Square	445	Independent	Upscale	March 2021
Ritz-Carlton Hotel	1185 Broadway	NoMad	250	Ritz-Carlton	Luxury	April 2021
Pendry Manhattan West	4 Manhattan West	Hudson Yards	164	Pendry	Luxury	April 2021
Virgin Hotel	1225 Broadway	NoMad	465	Virgin Hotels	Upscale	June 2021
Unnamed Hotel Project	30 West 39th Street	Times Square South	299	Independent	N/A	October 2021
Unnamed Hotel Project	450 11th Avenue	Hudson Yards	531	TBD	Upscale	November 2022
Waldorf Astoria New York	301 Park Avenue	Midtown East	350	Waldorf Astoria	Luxury	December 2021
Autograph Hotel Hudson Yards	432 West 31st Street	Hudson Yards	222	Autograph Collection	Upper Upscale	N/A
Hotel Indigo	255 West 34th Street	Midtown West	323	Hotel Indigo	Upscale	N/A
Unnamed Hotel Project	520 Fifth Avenue	Midtown East	208	TBD	N/A	N/A
The Fifth Avenue Hotel	250 Fifth Avenue	NoMad	153	Independent	Luxury	N/A
Unnamed Hotel Project	351-353 West 38th Street	Midtown West	353	TBD	N/A	N/A
Unnamed Hotel Project	2420 Amsterdam Avenue	Washington Heights	192	TBD	N/A	TBD
Unnamed Hotel Project	305 West 48th Street	Midtown West	211	TBD	N/A	TBD
Unnamed Hotel Project	10 West 57th Street	Central Park South	TBD	TBD	N/A	TBD

Planning Stages					
Name	**Address**		**Keys**	**Brand**	**Opening Date**
Harlem Mixed-Use Condo & Hotel	412 West 126th Street	Manhattanville	TBD	TBD	TBD
Unnamed Hotel Project	292 Fifth Avenue	NoMad	130	TBD	TBD
Palace Theater Redevelopment	1564 Broadway	Times Square	669	TBD	Late 2022
Jade Hotel	36 West 38th Street	Times Square South	TBD	Independent	Fall 2020
Hotel Indigo	50 Trinity Place	Financial District	173	Hotel Indigo	2021
Riu Plaza	West 47th Street	Times Square	TBD	TBD	TBD
NH Hotels Renovation	Madison Avenue	Murray Hill	TBD	TBD	TBD
Unnamed Hotel Project	223 West 46th Street	Times Square	159	TBD	TBD

Compiled by LW Hospitality Advisors

The New York City hotel market has strengthened as demand grew and regional and local economies continued to recover, despite increases in new supply. The following table presents trends in occupancy and average daily rate for the Manhattan lodging market from 2006 through October 2019. As the US Dollar weakened relative to foreign currencies, the City experienced a slight decline in international visitation in the first quarter of 2019. Occupancy decline has continued through the second quarter due to the absorption of increased new supply throughout Manhattan.

Manhattan Hotel Trends						
Year	Occupancy	Pts Change	ADR	% Change	RevPAR	% Change
2005	86.1%		$242.89		$209.20	
2006	85.6%	-0.5%	$270.44	11.3%	$231.39	10.6%
2007	86.8%	1.2%	$302.64	11.9%	$262.65	13.5%
2008	85.7%	-1.1%	$308.61	2.0%	$264.41	0.7%
2009	82.0%	-3.7%	$238.93	-22.6%	$195.83	-25.9%
2010	85.5%	3.5%	$261.03	9.2%	$223.09	13.9%
2011	85.4%	-0.1%	$278.51	6.7%	$237.98	6.7%
2012	87.8%	2.4%	$285.30	2.4%	$250.47	5.2%
2013	88.5%	0.7%	$290.92	2.0%	$257.38	2.8%
2014	89.4%	0.9%	$300.61	3.3%	$268.67	4.4%
2015	87.5%	-1.9%	$294.10	-2.2%	$257.38	-4.2%
2016	86.9%	-0.6%	$281.44	-4.3%	$244.51	-5.0%
2017	87.7%	0.8%	$287.59	2.2%	$252.31	3.2%
2018	88.5%	0.8%	$296.23	3.0%	$262.13	3.9%
YTD October 2018	87.9%		$286.50		$251.70	
YTD October 2019	87.0%	-1.0%	$279.54	-2.4%	$243.09	-3.4%

Source: CBRE Hotels; Compiled by LW Hospitality Advisors®

The following table presents occupancy, average daily rate, and RevPAR as of Q3 2019:

	Occupancy				ADR				RevPAR				September YTD		
	Jul	Aug	Sep	Q3	Jul	Aug	Sep	Q3	Jul	Aug	Sep	Q3	Occ	ADR	RevPAR
2018 Market Average	90.2%	90.8%	90.2%	90.4%	$254.18	$245.68	$337.76	$278.50	$229.32	$223.07	$304.74	$251.81	87.4%	$264.55	$231.25
2019 Market Average	89.5%	90.3%	90.2%	90.0%	$243.96	$239.94	$330.95	$271.14	$218.32	$216.66	$298.45	$243.99	86.0%	$258.43	$222.29
	% Change from 2018				% Change from 2018				% Change from 2018				% Change from 2018		
Market Average	-0.8%	-0.5%	0.0%	-0.5%	-4.0%	-2.3%	-2.0%	-2.6%	-4.8%	-2.9%	-2.1%	-3.1%	-1.6%	-2.3%	-3.9%

Source: PwC Manhattan Lodging Index Q3 2019

According to PwC Manhattan Lodging Index Q3 2019, the overall Manhattan Lodging Market experienced decline in RevPAR year-over-year. Occupancy in full service hotels trailed limited service hotels through the third quarter, however, average daily rate in full service hotels surpassed limited service hotels. Further, chain-affiliated hotels outperformed independent hotels throughout the second quarter.

The following table presents trends in occupancy, average daily rate, and RevPAR at the end of Q3 2019, broken down by neighborhood:

	Occupancy				ADR				RevPAR				September YTD		
	Jul	Aug	Sep	Q3	Jul	Aug	Sep	Q3	Jul	Aug	Sep	Q3	Occ	ADR	RevPAR
Upper Manhattan – 2018	84.3%	83.7%	83.2%	83.8%	$331.43	$316.61	$463.75	$369.31	$279.56	$264.94	$385.94	$309.32	81.5%	$352.66	$287.41
Upper Manhattan – 2019	84.2%	85.3%	83.8%	84.5%	$318.05	$312.60	$453.62	$360.07	$267.92	$266.61	$380.16	$304.08	80.7%	$347.78	$280.73
Midtown West – 2018	92.7%	93.0%	91.9%	92.5%	$247.67	$238.57	$318.74	$267.61	$229.51	$221.84	$292.99	$247.63	89.5%	$255.09	$228.26
Midtown West – 2019	91.6%	92.8%	91.9%	92.1%	$238.26	$233.56	$311.66	$260.55	$218.18	$216.86	$286.45	$240.00	87.7%	$248.73	$218.16
Midtown East – 2018	89.9%	90.4%	89.4%	89.9%	$264.43	$254.80	$395.58	$303.71	$237.70	$230.32	$353.81	$273.07	86.1%	$284.62	$244.95
Midtown East – 2019	88.5%	88.9%	89.8%	89.1%	$250.18	$249.39	$388.39	$295.36	$221.42	$221.66	$348.77	$263.03	84.7%	$277.42	$235.06
Midtown South – 2018	88.5%	90.3%	89.5%	89.4%	$224.00	$219.17	$289.66	$243.79	$198.31	$197.87	$259.33	$218.06	87.2%	$230.92	$201.32
Midtown South – 2019	88.0%	89.7%	90.1%	89.3%	$217.73	$218.02	$293.37	$242.91	$191.61	$195.50	$264.31	$216.81	86.2%	$229.51	$197.93
Lower Manhattan – 2018	87.9%	88.9%	90.0%	88.9%	$266.75	$260.26	$348.26	$291.47	$234.44	$231.33	$313.42	$259.15	85.8%	$278.39	$238.86
Lower Manhattan – 2019	88.2%	89.3%	88.9%	88.8%	$253.13	$247.44	$338.36	$279.36	$223.38	$220.90	$300.64	$248.04	85.1%	$268.20	$228.31
	% Change from 2018				% Change from 2018				% Change from 2018				% Change from 2018		
Upper Manhattan	-0.2%	1.9%	0.7%	0.8%	-4.0%	-1.3%	-2.2%	-2.5%	-4.2%	0.6%	-1.5%	-1.7%	-1.0%	-1.4%	-2.3%
Midtown West	-1.2%	-0.2%	0.0%	-0.5%	-3.8%	-2.1%	-2.2%	-2.6%	-4.9%	-2.2%	-2.2%	-3.1%	-2.0%	-2.5%	-4.4%
Midtown East	-1.5%	-1.7%	0.4%	-1.0%	-5.4%	-2.1%	-1.8%	-2.7%	-6.8%	-3.8%	-1.4%	-3.7%	-1.5%	-2.5%	-4.0%
Midtown South	-0.6%	-0.6%	0.6%	-0.2%	-2.8%	-0.5%	1.3%	-0.4%	-3.4%	-1.2%	1.9%	-0.6%	-1.1%	-0.6%	-1.7%
Lower Manhattan	0.4%	0.5%	-1.2%	-0.1%	-5.1%	-4.9%	-2.8%	-4.2%	-4.7%	-4.5%	-4.1%	-4.3%	-0.8%	-3.7%	-4.4%

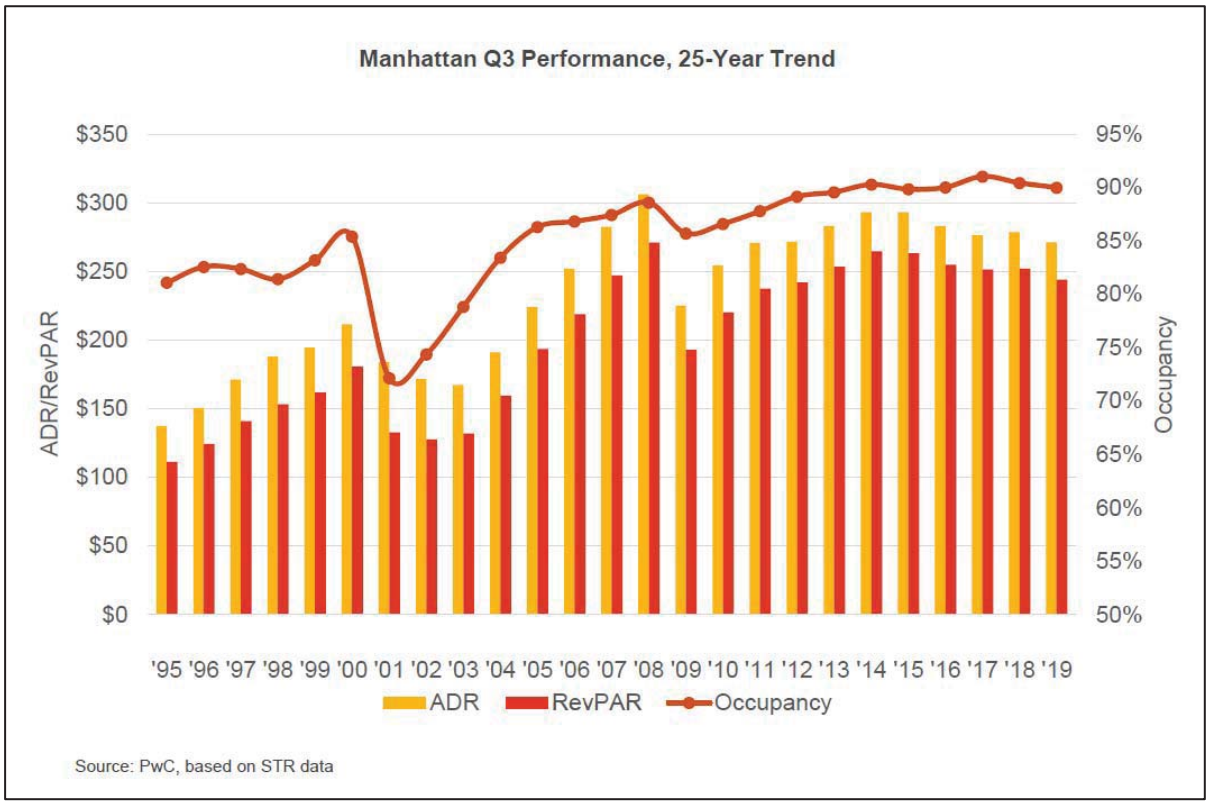
Neighborhood Index

Upper Manhattan	Midtown West	Midtown East	Midtown South	Lower Manhattan
59th Street and North	5th Avenue and West from 34th Street to 58th Street	5th Avenue and East from 34th Street to 58th Street	14th Street to 34th Street	14th Street and South

Source: PwC Manhattan Lodging Index Q3 2019

New York City's overall performance remains at profitable levels. It is anticipated that New York City's lodging market and demand will remain strong and recover through 2019, despite the abundance of new supply that has been opening throughout New York City and has largely impacted RevPAR levels adversely. RevPAR declines are also attributable to decreased international travel year-to-date, namely with respect to visitors from China.

The below chart depicts that Manhattan operating metrics are currently on a rising trend quarter-over-quarter.



Given the strength of the New York City lodging market, new supply is expected to be readily absorbed from an occupancy standpoint. It is important to consider that the stable occupancy level is remarkable given the influx of new hotel supply that has opened throughout New York City. However, average daily rate levels continue to be challenged throughout Manhattan.

The below charts display performance through October 2019, which indicate a 1.0 percent decrease in occupancy and a 2.4 percent decrease in ADR, yielding a RevPAR decrease of 3.4 percent compared with 2018 year-to-date figures.

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

October - 2019

	AVG. DAILY ROOM RATE			OCC. PERCENT			RevPAR		
	2019	2018	VAR	2019	2018	VAR	2019	2018	VAR
1 Over $500.00	$734.94	$734.74	0.0%	80.4%	86.4%	-7.0%	$590.77	$634.98	-7.0%
2 $300.00 TO 500.00	$342.25	$362.07	-5.5%	92.3%	93.1%	-0.9%	$315.81	$337.03	-6.3%
3 $245.00 TO $300.00	$272.29	$287.08	-5.2%	93.9%	95.2%	-1.4%	$255.60	$273.27	-6.5%
4 Under $245.00	$213.49	$228.29	-6.5%	92.7%	90.9%	1.9%	$197.80	$207.59	-4.7%
OVERALL AVERAGE	**$336.15**	**$355.14**	**-5.3%**	**91.7%**	**92.8%**	**-1.1%**	**$308.30**	**$329.41**	**-6.4%**

Survey includes 123 hotels with 42,848 available rooms as follows:
1) 3,628 2) 22,861 3) 10,569 4) 5,789

Year To Date as of October - 2019

	AVG. DAILY ROOM RATE			OCC. PERCENT			RevPAR		
	2019	2018	VAR	2019	2018	VAR	2019	2018	VAR
1 Over $500.00	$774.66	$784.01	-1.2%	72.9%	73.7%	-1.0%	$564.97	$577.58	-2.2%
2 $300.00 TO 500.00	$350.30	$356.64	-1.8%	88.6%	89.9%	-1.5%	$310.32	$320.62	-3.2%
3 $245.00 TO $300.00	$270.77	$278.59	-2.8%	89.9%	91.2%	-1.4%	$243.54	$254.19	-4.2%
4 Under $245.00	$194.47	$200.22	-2.9%	85.8%	86.2%	-0.5%	$166.90	$172.68	-3.4%
OVERALL AVERAGE	**$279.54**	**$286.50**	**-2.4%**	**87.0%**	**87.9%**	**-1.0%**	**$243.09**	**$251.70**	**-3.4%**

Survey includes 121 hotels with 42,346 available rooms as follows:
1) 2,181 2) 10,199 3) 11,685 4) 18,281

Source: CBRE Hotels October 2019

Below is the same data sorted by location rather than rate segment:

REPORT OF ROOMS BUSINESS BY LOCATION

October - 2019

	AVG. DAILY ROOM RATE			OCC. PERCENT			RevPAR		
	2019	2018	VAR	2019	2018	VAR	2019	2018	VAR
1 Above 59th - Uptown	$453.19	$468.83	-3.3%	87.2%	88.5%	-1.5%	$395.08	$415.12	-4.8%
2 42nd to 59th-Midtown East	$381.52	$401.01	-4.9%	89.4%	92.5%	-3.4%	$341.00	$370.91	-8.1%
3 42nd to 59th - Midtown West	$355.22	$375.03	-5.3%	91.5%	93.4%	-2.0%	$325.11	$350.39	-7.2%
4 Between 42nd and Houston	$280.48	$293.57	-4.5%	94.3%	94.2%	0.1%	$264.51	$276.65	-4.4%
5 South of Houston Street	$304.32	$328.35	-7.3%	92.0%	89.2%	3.1%	$280.04	$292.99	-4.4%
OVERALL AVERAGE	**$336.15**	**$355.14**	**-5.3%**	**91.7%**	**92.8%**	**-1.1%**	**$308.30**	**$329.41**	**-6.4%**

Survey includes 123 hotels with 42,848 available rooms as follows: 1) 1,204 2) 10,544 3) 13,636 4) 5,534

Year To Date as of October - 2019

	AVG. DAILY ROOM RATE			OCC. PERCENT			RevPAR		
	2019	2018	VAR	2019	2018	VAR	2019	2018	VAR
1 Above 59th - Uptown	$375.73	$375.75	0.0%	83.8%	84.8%	-1.1%	$315.01	$318.65	-1.1%
2 42nd to 59th-Midtown East	$320.95	$332.20	-3.4%	85.4%	86.4%	-1.2%	$273.98	$286.89	-4.5%
3 42nd to 59th - Midtown West	$293.15	$300.13	-2.3%	86.6%	88.1%	-1.8%	$253.77	$264.56	-4.1%
4 Between 42nd and Houston	$231.39	$235.26	-1.6%	89.3%	89.4%	-0.1%	$206.59	$210.31	-1.8%
5 South of Houston Street	$256.67	$262.22	-2.1%	86.4%	87.2%	-0.8%	$221.86	$228.54	-2.9%
OVERALL AVERAGE	**$279.54**	**$286.50**	**-2.4%**	**87.0%**	**87.9%**	**-1.0%**	**$243.09**	**$251.70**	**-3.4%**

Survey includes 121 hotels with 42,346 available rooms as follows: 1) 1,204 2) 10,362 3) 13,559 4) 5,042

Source: CBRE Hotels October 2019

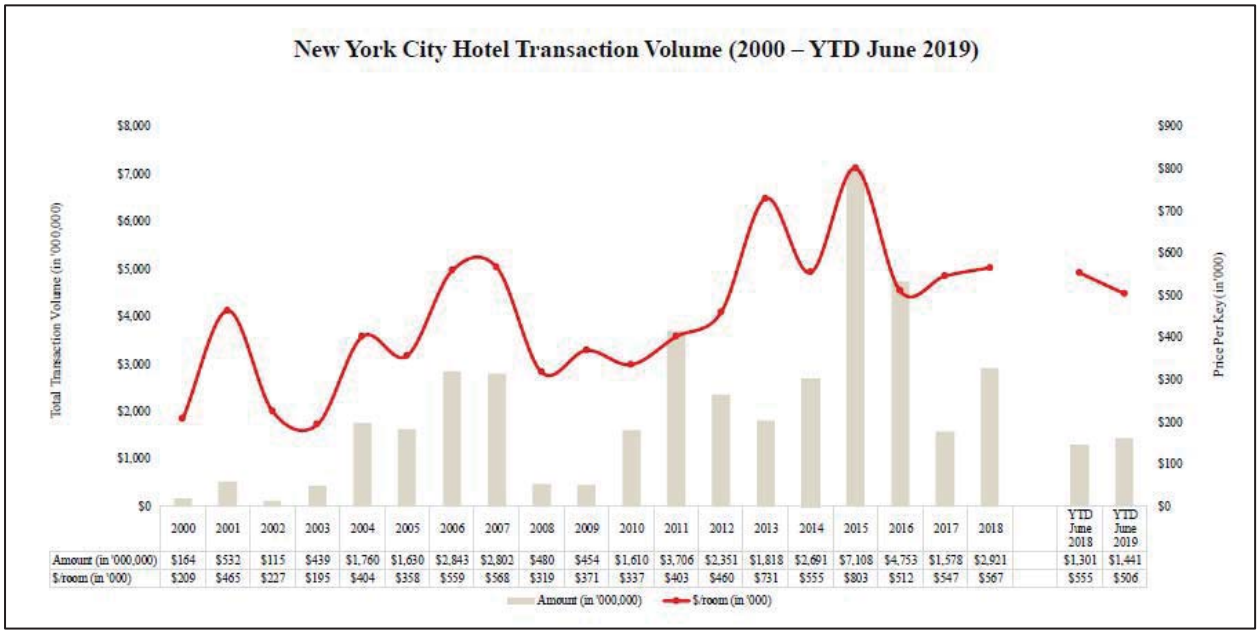
New York City Hotel Sales Activity

Manhattan hotel investment sales activity rebounded significantly, following the economic downturn in 2008. In 2012, the hotel transaction volume in Manhattan reached $2.7 billion, 22 hotels traded, although transaction volume in 2013 declined by 25 percent, largely attributed to less available product on the market. Transaction volume in Manhattan reached $2.8 billion in 2014 at an average price per key of over $600,000, compared to the market's 2011 peak of $3.1 billion (Jones Lang LaSalle). In 2014, off-shore investors comprised approximately 55 percent of total transaction volume, compared to 9 percent in 2011.

Off-shore investment continued to grow in 2015, with the volume of NYC hotel transactions totaling $6.6 billion, well surpassing the 2011 peak volume of $3.1 billion. Offshore capital accounted for over 70 percent of the 2015 transaction volume, an increase of approximately 40 percent over 2014. Notably, the most prominent transactions involved groups from Asia including Chinese investors' purchase of the Waldorf Astoria and the Baccarat, and South Korean investors' acquisition of The New York Palace. In addition to record transaction volume, 2015 also witnessed the highest price per room for a hotel asset in New York, namely the sale transaction of the 114-room Baccarat Hotel, which sold for over $2 million per room.

Remaining as the most liquid market in the United States and the most highly sought-after investment market for offshore investors, New York recorded approximately $3.0 billion in total transaction volume in 2018. This reflects an 85 percent increase over 2017, representing strength which has continued through the first half of 2019, with $1.4 billion in total transaction volume. Given the current capital restrictions in Mainland China to investing in North America, New York City transactions have been highly concentrated to domestic buyers.

The chart below illustrates the volume of transactions that have occurred from 2000 through H1 2019:



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD June 2018	YTD June 2019
Amount (in '000,000)	$164	$532	$115	$439	$1,760	$1,630	$2,843	$2,802	$480	$454	$1,610	$3,706	$2,351	$1,818	$2,691	$7,108	$4,753	$1,578	$2,921	$1,301	$1,441
$/room (in '000)	$209	$465	$227	$195	$404	$358	$559	$568	$319	$371	$337	$403	$460	$731	$555	$803	$512	$547	$567	$555	$506

Source: Jones Lang LaSalle Hotel Investment Trends & Outlook June 2019

New York City experienced significant growth in 2018 transactions versus 2017. With 2015 remaining as the watermark year for transaction volume, the strength of the NYC investment market is anticipated to remain strong. Further, the broader macro market has rebounded considerably and will have a positive effect on pricing and transaction volume with increased sales activity in the second half of 2019.

New York City New Hotel Supply

Hotel development in Manhattan is taking place at a rapid rate. There have been many proposed new hotel developments, including ground-up construction, repurposed landmarks and iconic facilities and the renovation of a number of properties throughout New York City.

The chart below indicates historical hotel supply trends and forecasts from 2000 through 2021. Note that the Midtown South submarket accounts for most of the planned new supply in Manhattan.



Source: Jones Lang LaSalle Hotel Investment Trends & Outlook June 2019

It is important to mention the impact of Airbnb on the local hotel market. However, it is difficult to assess this impact to any degree of certainty, given there is virtually no reliable data available. The various options available on Airbnb range from a bed in a shared/occupied living space to entire homes. Furthermore, the inventory changes on a daily basis depending upon owners' availability and needs. Compounding this issue is that in New York City in particular, there has been an influx of new hotel supply over the past several years. As such, it is difficult, if not impossible, to bifurcate the impact of rapid hotel supply growth from the impact of the rise of Airbnb. All of those factors considered, one can assume Airbnb has had an impact of sorts, particularly in peak demand times when hotel rates are high. However, we anticipate that Airbnb will gradually operate in line with traditional lodging accommodations, in terms of providing services and adhering to regulations, which likely will temper its competitive edge.

Conclusion

Occupancy and average daily rate trends in the New York City market suggest that there remains a fair amount of unsatisfied demand at all price levels. It is expected that occupancy rates will remain relatively strong while average daily rate growth will likely be challenged in certain submarkets in particular due to the abundance of new supply entering the market. It is also important to consider the abundance of new hotel supply that has already opened between 2014 - 2018 and is projected to open over the next several years. It is likely that occupancy levels will remain strong, proven by past performance that reflects increased demand corresponding to increased supply, largely given the plethora of displaced demand fueled by record-breaking tourism. The effects of new supply are likely to be less evident especially in submarkets with significant displaced demand.

National Lodging Market Analysis

National Market

While the U.S. continues to be in the midst of its longest uninterrupted economic expansion in modern history, slowing growth metrics along with abundant geopolitical uncertainties are heightening perceived risk of impending recession. Concerns include:

- U.S. GDP growth is decelerating and during the near-term increases are anticipated to remain modest;
- The Conference Board's consumer confidence index fell to 125.1 in September, down from a revised August 2019 reading of 134.2;
- Trade with Canada and Mexico falls into the same uncertainty now gripping U.S. relations with China and Europe. A failure of Congress to ratify a new NAFTA deal which will govern trade relations with these two neighboring countries is a warning sign that illustrates how political volatility could drag down the U.S. economy even if its fundamentals remain strong;
- The Federal Reserve Bank of New York's recession probability indicator, which gauges the likelihood of a recession within the coming 12 months, rose steeply from around 10 percent at the beginning of 2019 to 37.9 percent in August;
- An inverted interest rate yield curve has endured for several months, a phenomenon that has signaled each U.S. economic recession since 1950;
- Ultra-low interest rates continue to trend downwards. While this is a positive for borrowers, it is also raising speculation that America is destined for negative yields like where Japan and much of Europe have been stuck for some time;
- Washington DC is currently in an impeachment frenzy;
- Unknown effects of Brexit which depend on whether the UK leaves with a withdrawal agreement, or before an agreement is ratified ("no-deal" Brexit);
- In response to a proposed extradition bill, which included an agreement with mainland China, since June, Hong Kong has been subject to mass demonstrations with continuous violent clashes and rioting;
- The Middle East is currently more combustible than ever. Conflict(s) resulting in global ramifications could break out in various cites/countries for a multitude of reasons;

Despite daily warnings of possible economic fragility, jobs creation statistics remain relatively steady and personal incomes continue to grow, both of which could sustain the financial system during whatever rough patches may be encountered. Not everyone believes a recession is imminent, and contrarians can point to other metrics that paint a much sunnier picture. Either way, the prevailing view seems to be that when the next recession hits, it will be less severe than the last one.

Through this past August the U.S. hotel industry's expansion cycle reached 114 months, as hotel revenue per available room (RevPAR) declined year over year only two months during this period, namely during August 2018 and in June 2019. Generally, national hotel supply and demand growth are in equilibrium resulting in relatively flat occupancy levels and lackluster RevPAR growth stemming from average daily rate increases barely equal to inflation (and decelerating).

America's hotel sector has been operating at peak levels for the past three years as an expanding economy has readily absorbed accelerated supply growth in most markets. Notwithstanding rising salary and wage rates and slowing revenue growth, operators have controlled costs sufficiently to achieve GOP margins at their highest levels since the 1960s. With everything said, the near-term lodging outlook appears choppy as prognosticators have downgraded projected 2020 national RevPAR growth.

The LW Hospitality Advisors (LWHA) Q3 2019 Major US Hotel Sales Survey includes 41 single asset sale transactions over $10 million, none of which are part of a portfolio. These transactions totaled $3.725 billion and included approximately 13,100 hotel rooms with an average sale price per room of $283,000. By comparison, the LWHA Q3 2018 Major U.S. Hotel Sales Survey identified 57 transactions totaling roughly $6.4 billion including 15,300 hotel rooms with an average sale price per room of nearly $419,000. With more than 28 percent fewer trades and a 42 percent decline in total sale dollar volume during Q3 2019, the U.S. hotel transaction market has clearly slowed down when compared to Q3 2018 along with a growing disconnect between seller prices and buyers' bids.

Notable observations from the LWHA Q3 2019 Major U.S. Hotel Sales Survey include:

- Twelve or roughly 30 percent of the total number of Q3 2019 sale transactions occurred in two states;
    - With seven Q3 2019 hotel sales, Florida continues to be the most active transaction market followed by five trades in California;
- NYC continues to experience a challenging environment for hotel investment as only one sale occurred during Q3 2019 subsequent to zero during Q2 2019;
- Ten of the 42, or almost a quarter of Q3 trades, were for greater than $100 million each;
    - Six of the Q3 trades were between $100 and $200 million.
    - Two of the Q3 trades were between $200 and $400 million;
        - Premier Group WLL based in Bahrain acquired the 215 room Four Seasons Hotel One Dalton Street, Boston for $268 million, or $1.250 million per unit from Carpenter & Company, Inc. who recently developed the property with a 61-story mirrored glass tower that separately includes a 160 Four Seasons Private Residences;
        - Blackstone purchased the 1,260 room Hyatt Regency Atlanta for $355 million or $282,000 per unit from Hyatt Hotels Corporation who will continue to operate the facility. Opened in 1967, the Hyatt Regency Atlanta was designed by

internationally acclaimed architect John C. Portman, Jr. and was the first contemporary atrium-style hotel ever constructed;

- Two Q3 trades occurred above $500 million each;
  - Caesars Entertainment Corporation (Caesars) sold the 2,548-unit Rio All-Suites Hotel & Casino in Las Vegas to Imperial Companies for $516.3 million, or $203,000 per unit. Caesars will continue to operate the property pursuant to a lease for a minimum of two years at $45 million in annual rent. The transaction also provides the buyer an option to pay Caesars an additional $7 million for the extension of the lease under similar terms for a third year. Caesars reportedly will retain its rewards customers and the hosting rights to the annual the World Series of Poker;
  - A joint venture between Trinity Real Estate Investments LLC and Elliott Management Corporation acquired the 950 room JW Marriott Phoenix Desert Ridge Resort & Spa for $602 million, or $634,000 per unit;

- Suffolk University's acquisition of the Ames Boston Hotel highlights several trends:
  - Universities are challenged to obtain adequate land and student housing, particularly in urban locations;
  - Development sites in urban gateway markets in the U.S. are trading at a premium;
  - Investors and real estate users have become more creative, and are willing to pay up in order to meet their objectives, and;
  - Supply of hotel rooms does not always grow. Fluctuating markets often result in changing highest and best property uses culminating in lodging facilities being converted or demolished to make way for alternative income producing opportunities.

- GIC Private Limited, formerly known as Government of Singapore Investment Corporation entering into a joint venture with Summit Hotel Properties to acquire the 88-guestroom Hampton Inn & Suites in Silverthorne, CO is intriguing. An overseas sovereign wealth fund investing 49 percent of a $25.5 million capitalization in a Rocky Mountain town is illustrative of global capital chasing yield by seeking opportunities in a relatively small sized deal situated in a rural resort area;

- Sophisticated hotel centric investors continue to execute capital recycling strategies within the lodging sector. Entities that are active purchasers and sellers of hotels include:
  - Ashford Hospitality Trust
  - Blackstone
  - Brookfield Property Partners L.P.
  - Clearview Hotel Capital
  - Columbia Sussex Corporation
  - Elliott Management Corporation
  - GAW Capital Partners
  - Highgate

- Host Hotels & Resorts Inc.
- Hyatt Hotels Corporation
- Noble Investment Group
- Park Hotels & Resorts
- Peachtree Hotel Group
- Pebblebrook Hotel Trust
- RLH Corporation
- Starwood Capital Group
- Summit Hotel Properties
- Trinity Real Estate Investments
- Wheelock Street Capital
- White Lodging

Additional commentary on the U.S. hotel market based upon my observations:

- With enormous amounts of equity from all over the globe chasing yield at this stage in the cycle, the hotel sale transaction market remains relatively robust. Savvy investors continue to see compelling rationales to capitalize on opportunities to obtain irreplaceable locations and buildings, evidenced in part by the reported frenzied bidding amongst more than a dozen investor groups for Anbang Insurance Group's 15 property $5.8 billion luxury hotel portfolio;

- M&A activity in the sector also remains robust as demonstrated by:

  - The recently announced merger of two significant independent hotel operators, namely Aimbridge Hospitality and Interstate Hotels & Resorts which will result in a combined management portfolio of more than 1,400 hotel properties in 49 states and 20 countries, and;

  - Park Hotels & Resorts Inc. closing its $2.5 billion acquisition of Chesapeake Lodging Trust;

- Secondary and/or tertiary cities such as Charlotte, Houston, Salt Lake City, and Tampa continue to evolve into attractive markets for investors challenged to identify quality hospitality investment opportunities in high priced first-tier cities such as Boston, Los Angeles Miami, New York, and San Francisco;

- The sector continues to be flush with CMBS and other debt products which support lower all in borrowing costs and often provide a compelling thesis to refinance owned assets and return equity, versus placing them on the market for sale;

- A continued strong U.S. dollar and political factors are contributing to weakened inbound international travel trends which places negative pressure on hotel performance in several gateway markets including New York, San Francisco and Washington DC;

- Operating expense models have changed across the industry, particularly in union markets. A higher proportion of costs are now fixed rather than variable with occupancy, particularly labor, as government and/or union work rules have created challenges to flexing schedules;

- Several markets have passed legislation imposing stricter restrictions on alternative accommodations such as AirBNB and VRBO which should drive incremental compression hotel room nights;

- The Hotel Advertising Transparency Act of 2019, a bipartisan bill was recently introduced in the U.S. House of Representatives that if ratified would prohibit resort/amenity/facility and other fees from being introduced to travelers late in the booking process. Fees have become increasingly popular at full service and resort properties, and as ADR growth has slowed these high margin revenues enhance net operating income while remaining competitive in terms of the advertised room rate. Added disclosure and full pricing transparency should create a more level playing field, but certain hotels' relative value proposition could be negatively impacted in the eyes of price-sensitive consumers.

Although perceived risks to a positive outlook are evolving, the U.S. economy remains resilient, though risks to a positive outlook are mounting. Economic and geopolitical uncertainty is negatively impacting cross-border transaction volumes and in the near-term broader growth uncertainties will remain a headwind for global investor sentiment. History has proven that a late cycle mind set positions markets to be more intensified towards signs of difficulties, and that such sentiments can “talk the market down” and turn into a self-fulfilling prophecy and induce a recession.

Everything in life is relative. Consider that during the Great Recession of a decade ago, on average the U.S. lodging industry produced profits, albeit lower than prior years. During the economic recession of the early 1990’s, coupled with the negative effects of the Persian Gulf War, the U.S. hotel industry was largely unprofitable. Although growth of current record high lodging fundamentals may be slowing, nonetheless future growth is anticipated to endure.

Due in part to the lack of long-term credit worthy tenancies and that with continuous resetting of room rates, hotels are fundamentally long-term investments. At any point in a cycle, shrewd lodging investors that pay market prices predicated upon underwriting (not necessarily holding) a minimum ten-year projection period tend to realize healthy returns.

Hotel Transaction Volume

Global hotel transaction volume in calendar year 2018 increased slightly over 2017 level to an estimated $67.7 billion. The Jones Lang LaSalle (JLL) forecast for 2019 indicates that the global economic and real estate markets are expected to move towards slower growth in 2019, though holding steady to 2018 levels with a 2019 global transaction volume forecast of $67.2 billion. As indicated below, year-over-year increases in the Asia-Pacific region are expected to somewhat offset expected declines and limited growth in the EMEA and Americas sectors.

A number of factors will play a crucial role in 2019, including (1) increasingly volatile equity markets; (2) slower economic growth projections; (3) an uncertain pace of future interest rate hikes; (4) trade tensions between the U.S. and China; and (5) political uncertainty in the UK, France and Italy.

Global Hotel Transaction Volumes				
	Americas	***EMEA***	***Asia Pacific***	***Total***
2015 (in billions)	$46.4	$29.2	$9.2	$84.8
2016 (in billions)	$31.0	$20.5	$8.5	$60.0
2017 (in billions)	$28.2	$24.7	$13.5	$66.4
2018 (in billions)	$36.5	$22.9	$8.3	$67.7
2019F (in billions)	$36.5	$21.2	$9.5	$67.2
2018/2019 Percent Change	*Flat*	*-5% - 10%*	*15%*	*Flat*
Source: Jones Lang LaSalle				

Recent years have seen new investors and investment strategies emerge, enabling investors to enter hotel real estate in ways beyond direct acquisition of assets, such as debt investments, strategic joint ventures, recapitalizations, and real estate and brand merger and acquisition (M&A) activity, which are expected to continue to be prevalent in 2019.

After a slow start to the year, foreign investment in the US accounted for 12.0 percent of volume in Q2 2019. Cross-border capital is expected to continue following an upward trend in the second half of the year. According to Jones Lang LaSalle, transaction volume was down approximately 28% in H1 2019. The decline in the first half of 2019 is attributable to 70.0 percent less portfolio sales activity. The two largest portfolios by volume to transact in H1 2019 – Noble Investment Group's multi-state hotel portfolio ($229.0 million) and Summit's six-hotel portfolio ($156.8 million) – were primarily comprised of high-quality select service hotels. Single-asset hotel transaction activity remained consistent in H1 2019 relative to H1 2018 at approximately $9.0 billion. Investors remain interested in luxury assets, which are trading for below replacement cost and continue to face a more limited supply pipeline.

Investment Rates

Capitalization rates have remained relatively steady over the past two years, despite slowing hotel income growth and interest rate increases. The latest Q3 2019 Real Estate Investor Survey published by PwC for luxury, full service, limited service and select service properties is illustrated in the following table, as well as the comparison to Q1 2019, Q3 2018, Q1 2018 and Q3 2017:

Hotel Investor Survey									
	Discount Rate			Overall Cap Rate			Residual Cap Rate		
Type	Range		Average	Range		Average	Range		Average
PwC Hotels									
Luxury/Upper-Upscale									
Q3 2019	6.25%	13.00%	9.55%	4.00%	9.50%	7.05%	5.50%	9.50%	7.33%
Q12019	6.25%	13.00%	9.55%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q3 2018	6.25%	12.00%	9.45%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q1 2018	6.50%	12.00%	9.50%	4.00%	9.00%	7.05%	5.50%	9.50%	7.23%
Q3 2017	6.50%	12.00%	9.53%	4.00%	9.00%	7.03%	5.00%	9.50%	7.18%
Full Service									
Q3 2019	8.00%	11.00%	9.90%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q12019	8.00%	11.00%	9.70%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q3 2018	8.00%	13.00%	10.20%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q1 2018	8.00%	13.50%	10.33%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q3 2017	8.00%	13.00%	10.19%	6.00%	10.00%	7.85%	7.00%	10.00%	8.44%
Limited Service*									
Q3 2019	8.00%	14.00%	10.55%	7.50%	12.00%	9.15%	7.75%	12.00%	9.48%
Q12019	8.50%	14.00%	10.80%	7.50%	11.00%	9.05%	7.75%	12.00%	9.53%
Q3 2018	8.50%	13.00%	10.50%	7.50%	11.00%	9.15%	7.75%	11.00%	9.38%
Q1 2018	8.50%	13.00%	11.00%	7.50%	11.00%	9.15%	7.75%	11.00%	9.78%
Q3 2017	8.50%	13.00%	11.00%	7.50%	11.00%	9.08%	7.75%	11.00%	9.83%
Select Service**									
Q3 2019	8.00%	12.00%	10.30%	6.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q12019	8.00%	12.00%	10.10%	7.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q3 2018	8.00%	11.00%	9.55%	7.00%	10.00%	8.50%	7.00%	10.00%	8.75%
Q1 2018	7.50%	12.00%	9.90%	6.50%	10.00%	8.56%	7.00%	10.75%	8.93%
Q3 2017	8.00%	12.00%	10.20%	6.50%	10.00%	8.70%	7.00%	10.75%	9.08%

** Limited Service includes midscale and economy lodging with rooms only*

*** Select Service includes upscale and upper-midscale lodging with rooms only.*

Source: PwC Real estate Investor Survey - Q3 2019

PwC indicates that the U.S. lodging industry appears to be at an inflection point, driven by a combination of decelerating demand growth as well as continued economic and global trade risks. Second quarter 2019 results came in significantly below expectations with ADR levels up 1.2% and occupancy levels down 0.1%, resulting in a tepid RevPAR increase of 1.1%. Between flattening occupancy and an overall lack of pricing power, RevPAR grew at a modest level, as hotels traded occupancy for rate. U.S. lodging performance continued to experience headwinds in July, characterized by anemic RevPAR growth.

Looking ahead to the remainder of 2019, the near-term U.S. lodging outlook remains choppy with unemployment expected to reach a cyclical low by the end of this summer at around 3.5%, GDP growth decelerating, and consumer spending softening. In 2020, U.S. lodging supply and demand growth are expected to moderate, resulting in a very slight decline in occupancy. Rising inflation is expected to support marginal growth in ADR, resulting in an expected RevPAR increase of 1.0% for 2020, the lowest rate in a decade.

According to CBRE's H1 2019 Cap Rate Survey, cap rate movement reflected the disparate supply -and-demand dynamics across the country. STR data for H1 2019 indicates greater supply growth than demand growth (2.5% versus 1.3%) in the top-25 markets and greater demand growth than supply growth (2.6% versus 1.8%) in other hotel markets. The most dramatic cap rate increases occurred among full-service and economy classes in Tier I cities. Every market class in Tier III cities recorded declines in hotel cap rates, the most noteworthy of which was a 9-bp drop in economy class. Combined with other anecdotal evidence collected by CBRE, this suggests that investor interest in small markets is growing. Evidence suggests that the pace of CBD hotel room supply additions is quickening. STR data revealed a widening spread between supply and demand growth throughout H1 2019, which is influencing investor bidding.

CBRE cap rate forecast trends vary by specific market and property class however the overall majority indicate relative stability over the near-term future (six-month outlook).

CBRE Hotel Capitalization Rates									
	City	Luxury		Full Service		Select Service		Economy	
		CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)
Tier I	Boston	4.00 - 6.50	6.50 - 7.50	5.50 - 7.00	7.50 - 8.00	6.50 - 7.50	7.50 - 8.50	-	8.00 - 9.00
	Chicago	6.75 - 7.50	7.50 - 8.75	7.00 - 8.75	8.00 - 10.00	7.25 - 8.25	8.50 - 9.50	9.50 - 10.75	10.00 - 12.00
	N.CA: Oakland	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.00 - 8.00	8.50 - 10.50	8.00 - 9.00	9.50 - 11.50	9.50 - 11.50
	N.CA: San Francisco	6.00 - 7.00	7.00 - 8.00	7.00 - 8.00	8.00 - 9.00	8.00 - 9.00	9.50 - 10.50	8.50 - 10.50	9.50 - 11.50
	N.CA: San Jose	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.00 - 8.00	8.50 - 10.50	8.00 - 9.00	9.50 - 11.50	9.50 - 11.50
	NY: N. New Jersey	6.25 - 6.75	7.00 - 7.75	6.75 - 8.25	7.50 - 9.00	7.75 - 8.75	7.75 - 9.00	8.00 - 9.00	9.00 - 10.50
	NY: New York City	4.50 - 5.50	6.50 - 8.00	6.50 - 7.50	7.50 - 9.00	6.75 - 8.00	7.75 - 9.50	8.00 - 9.00	9.00 - 11.00
	S.CA: Inland Empire	7.25 - 9.00	7.25 - 9.00	7.50 - 9.25	7.50 - 9.25	7.25 - 9.25	7.25 - 9.25	8.00 - 10.00	8.00 - 10.25
	S. CA: Los Angeles	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	7.75 - 9.00
	S.CA: Orange County	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	7.75 - 9.00
	S.FL: Fort Lauderdale	7.00 - 8.00	7.50 - 8.50	7.50 - 8.50	8.25 - 9.25	8.00 - 9.00	8.50 - 9.50	9.00 - 10.00	9.50 - 10.50
	S.FL: Miami	6.25 - 7.00	7.00 - 7.75	6.75 - 7.75	7.75 - 8.75	8.00 - 8.50	8.75 - 9.25	9.00 - 10.00	9.50 - 10.25
	S.FL: West Palm Beach	8.00 - 8.50	8.25 - 9.00	8.00 - 8.75	8.50 - 9.50	8.50 - 9.50	9.00 - 10.00	9.00 - 10.00	9.50 - 10.50
	San Diego	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	8.25 - 9.25
	Seattle	6.00 - 6.50	6.75 - 7.75	6.25 - 7.00	7.75 - 8.50	6.75 - 7.25	7.75 - 8.50	8.50 - 9.25	9.50 - 10.50
	Washington D.C.	4.50 - 6.00	6.00 - 7.50	6.00 - 7.00	6.50 - 8.50	6.50 - 7.50	7.50 - 9.00	7.00 - 8.00	8.50 - 9.50
Tier II	Atlanta	6.50 - 8.00	7.00 - 8.25	7.25 - 8.50	7.75 - 9.00	7.75 - 9.00	8.25 - 9.50	8.50 - 9.75	9.50 - 11.00
	Austin	6.50 - 8.00	7.00 - 8.25	7.25 - 8.50	7.75 - 9.00	7.75 - 9.00	8.25 - 9.50	8.50 - 9.75	9.50 - 11.00
	Baltimore	6.50 - 7.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.25 - 9.25	8.00 - 9.50	8.50 - 10.00
	Dallas/Fort Worth	7.50 - 8.50	7.50 - 8.50	7.75 - 8.75	7.75 - 8.75	7.50 - 8.25	7.75 - 9.00	8.00 - 10.00	8.50 - 11.00
	Denver	6.00 - 6.50	7.00 - 7.50	7.00 - 7.50	8.00 - 8.75	7.50 - 8.25	8.00 - 8.75	8.25 - 9.00	8.50 - 9.50
	Houston	7.55 - 8.50	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	8.50 - 10.75	9.00 - 10.75
	Las Vegas	7.00 - 8.00	7.25 - 8.25	7.75 - 8.75	7.75 - 8.75	8.00 - 9.50	8.00 - 9.50	9.00 - 10.25	9.00 - 10.25
	Minneapolis/St. Paul	7.25 - 8.25	7.50 - 8.25	7.25 - 8.50	8.25 - 9.75	7.75 - 8.75	8.50 - 10.00	8.25 - 10.25	9.25 - 10.75
	Nashville	7.50 - 8.00	7.75 - 8.00	7.75 - 8.25	8.25 - 9.50	7.75 - 8.50	8.75 - 9.50	9.75 - 10.50	10.00 - 10.75
	Orlando	6.00 - 7.50	6.50 - 7.75	6.75 - 8.00	7.00 - 8.50	8.00 - 8.75	8.25 - 9.00	9.25 - 10.00	9.25 - 10.00
	Philadelphia	6.00 - 6.50	6.50 - 7.00	6.50 - 8.25	7.75 - 8.50	7.50 - 8.50	7.75 - 8.50	8.75 - 9.25	10.00 - 10.50
	Phoenix	6.75 - 6.75	6.75 - 6.75	7.75 - 7.75	7.75 - 7.75	7.50 - 7.50	7.75 - 7.75	9.00 - 9.00	9.25 - 9.25
	Portland	7.25 - 8.25	8.25 - 8.50	7.50 - 8.25	8.25 - 8.50	7.75 - 8.75	8.25 - 9.25	9.00 - 9.75	9.50 - 10.50
	Tampa	6.25 - 7.50	6.50 - 7.75	7.00 - 8.25	7.25 - 8.50	8.00 - 9.00	8.25 - 9.00	9.25 - 10.00	9.25 - 10.00
Tier III	Albuquerque	7.25 - 8.25	7.75 - 8.50	7.75 - 9.00	8.25 - 9.25	8.25 - 9.00	8.25 - 9.25	9.25 - 10.50	9.25 - 10.50
	Charlotte	6.00 - 8.00	6.50 - 8.00	7.00 - 8.00	7.50 - 9.00	7.00 - 8.50	8.00 - 9.00	8.25 - 10.00	9.00 - 11.00
	Cincinnati	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Cleveland	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Columbus	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Detroit	8.00 - 8.50	8.00 - 8.75	8.25 - 9.00	9.25 - 10.25	8.25 - 9.00	8.50 - 9.50	10.00 - 11.00	10.75 - 11.75
	Honolulu	5.00 - 7.00	-	-	6.75 - 9.00	-	7.25 - 10.25	-	8.25 - 11.25
	Indianapolis	7.00 - 8.50	8.00 - 9.00	7.50 - 9.00	8.00 - 9.50	7.50 - 8.50	8.25 - 9.25	9.50 - 11.00	9.50 - 11.00
	Jacksonville	6.25 - 7.50	7.00 - 8.00	7.00 - 8.00	7.50 - 8.50	8.00 - 8.75	8.25 - 9.00	9.50 - 10.00	9.50 - 10.00
	Kansas City	7.50 - 8.50	8.00 - 8.75	8.00 - 9.25	8.25 - 9.50	7.75 - 8.75	8.00 - 9.00	9.00 - 11.00	9.25 - 11.50
	New Orleans	7.25 - 7.75	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	8.00 - 9.00	8.50 - 9.50
	Pittsburgh	8.00 - 9.00	8.00 - 9.00	8.25 - 9.50	8.50 - 9.75	8.00 - 9.25	8.25 - 9.50	9.50 - 11.50	9.75 - 11.50
	Oklahoma City	7.50 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Sacramento	7.50 - 9.00	-	8.00 - 9.00	9.00 - 10.00	7.50 - 8.50	7.50 - 8.50	8.50 - 10.00	8.50 - 10.00
	Salt Lake City	6.25 - 7.25	6.75 - 7.75	8.00 - 8.75	8.25 - 9.00	7.25 - 8.25	7.25 - 8.25	8.00 - 9.00	8.00 - 9.00
	San Antonio	-	-	7.00 - 8.00	7.50 - 8.50	7.00 8.00	7.50 9.00	7.50 10.00	8.00 11.00
	Saint Louis	7.50 - 9.50	7.50 - 9.50	7.50 - 10.50	8.00 - 10.50	8.00 - 10.50	8.00 - 10.25	8.50 - 10.50	8.75 - 10.50
Source: CBRE Cap Rate Survey H1 2019									

JF Capital Advisors analyzed the implied 2019 net operating income (NOI) and capitalization rate for the below public hotel trading companies, based on various growth rates of 2.5 percent and 5.0 percent, displayed below.

Implied Cap Rates Based on Assumed Growth									
		2019		2019 NOI [1]			2019 Implied Cap Rate [1]		
Company	Enterprise Value (billions)	NOI [2]	Cap Rate	0.0%	2.5%	5.0%	0.0%	2.5%	5.0%
Hotel REITs									
Host	14,810	1,301	8.8%	1,301	1,367	1,434	8.8%	9.2%	9.7%
Park	10,255	793	7.7%	793	833	874	7.7%	8.1%	8.5%
HPT	8,282	770	9.3%	770	809	849	9.3%	9.8%	10.3%
Ashford	4,904	358	7.3%	358	376	395	7.3%	7.7%	8.1%
Braemar	1,498	105	7.0%	105	110	116	7.0%	7.3%	7.7%
Ryman	5,918	417	7.0%	417	438	459	7.0%	7.4%	7.8%
Sunstone	3,609	276	7.6%	276	290	304	7.6%	8.0%	8.4%
DiamondRock	3,112	222	7.1%	222	233	245	7.1%	7.5%	7.9%
Hersha	2,306	153	6.6%	153	161	169	6.6%	7.0%	7.3%
Pebblebrook	6,381	411	6.4%	411	432	454	6.4%	6.8%	7.1%
RLJ	4,561	433	9.5%	433	455	477	9.5%	10.0%	10.5%
Summit	2,245	167	7.4%	167	175	184	7.4%	7.8%	8.2%
Chatham	1,434	117	8.2%	117	123	129	8.2%	8.6%	9.0%
Apple	5,096	381	7.5%	381	401	420	7.5%	7.9%	8.2%
Xenia	3,450	255	7.4%	255	268	281	7.4%	7.8%	8.1%
AHIP	922	64	6.9%	64	67	70	6.9%	7.3%	7.6%
Condor	275	21	7.6%	21	23	24	7.6%	8.4%	8.7%
Corepoint	1,580	122	7.7%	122	128	134	7.7%	8.1%	8.5%
Sotherly Hotels	533	35	6.6%	35	37	39	6.6%	6.9%	7.3%
Maximum			**9.5%**				**9.5%**	**10.0%**	**10.5%**
Weighted Average			**7.9%**				**7.9%**	**8.3%**	**8.7%**
Weighted Average Excl. Host			**7.7%**				**7.7%**	**8.1%**	**8.5%**
Minimum			**6.4%**				**6.4%**	**6.8%**	**7.1%**

Note: Does not add back corporate G&A which negatively affects EBITDA and NOI assumptions
Note: Includes JF Capital Advisors estimates
(1) Based on growing NOI at the annual growth rate listed
(2) Based on FF&E Reserve of 4.0 percent of revenue

Source: JF Capital Advisors September 2019

Historic Performances & Projections

According to Smith Travel Research (STR), record-breaking performance levels were recorded in 2018. Room demand growth outpaced supply, even though supply growth was the most robust in the industry since 2009. Increases in RevPAR were primarily driven by average daily rate growth over the past four years. The 2.9 percent RevPAR increase recorded in 2018 was the lowest growth rate for the country since the recession that began in December 2007.

Total U.S. Key Statistics							
	YE 2015	*YE 2016*	*YE 2017*	*YE 2018*	*2017/2018 % Change*	*2019 Forecast*	*2020 Forecast*
Room Supply	-	-	-	-	2.0%	-	-
Room Demand	-	-	-	-	2.5%	-	-
Occupancy	65.6%	65.5%	65.9%	66.2%	0.5%	66.3%	66.1%
Average Daily Rate	$120	$124	$127	$130	2.4%	$131.83	$133.70
RevPAR	$79	$81	$84	$86	2.9%	$87.41	$88.40
Source: Smith Travel Research/Tourism Economics							

STR and Tourism Economics downgraded their growth projections for the U.S. hotel industry in August after a previous downgrade in June. The companies had projected revenue per available room to grow 2.3 percent in 2019. In June, they downgraded 2019 growth expectations to 2 percent and 2020 percent growth to 1.9 percent. Now, they've reduced 2019 to 1.6 percent and 2020 to 1.1 percent. With occupancy flat, average daily rate has been the sole driver of any RevPAR increases. The following tables summarize the most recent historical and forecast data for occupancy, average daily rate and RevPAR on a national level by Smith Travel Research and Tourism Economics.

Total U.S. Outlook				
	2017 Actual	*2018 Actual*	*2019 Forecast*	*2020 Forecast*
Supply	1.8%	2.0%	1.9%	1.9%
Demand	2.7%	2.5%	2.1%	1.6%
Occupancy	0.9%	0.5%	0.2%	-0.2%
ADR	2.1%	2.4%	1.4%	1.4%
RevPAR	3.0%	2.9%	1.6%	1.1%
Source: Smith Travel Research				

The following table summarizes 2019 and 2020 occupancy, average daily rate and RevPAR forecasts by chain segment estimated by PwC.

Total U.S. Chain Scale Outlook						
	2019 Forecast			*2020 Forecast*		
Chain Scale	*Occupancy*	*ADR*	*RevPAR*	*Occupancy*	*ADR*	*RevPAR*
Luxury	-2.0%	2.3%	0.2%	-0.1%	2.0%	1.9%
Upper Upscale	-0.9%	1.8%	0.9%	-0.4%	1.2%	0.8%
Upscale	-1.2%	0.8%	-0.4%	-0.3%	0.7%	0.4%
Upper Midscale	0.0%	0.4%	0.5%	0.0%	0.4%	0.4%
Midscale	-0.1%	0.2%	0.1%	0.0%	0.2%	0.2%
Economy	1.5%	0.4%	1.9%	0.0%	0.9%	0.8%
Independent	0.3%	1.5%	1.8%	0.0%	1.1%	1.1%
Source: PwC Hospitality Directions US Lodging Outlook (August 2019) / based on STR data Compiled by LW Hospitality Advisors®						

**Percentage Change From Prior Year*

In 2020, ADR growth is expected to continue to control top line improvement, as increases in room rates are expected to drive all growth in RevPAR.

New Supply

Smith Travel Research reported at the 2019 Lodging Conference that approximately 207,000 rooms were under construction nationally as of August 2019, representing a 10.1% percent increase over levels reported in August 2018. Under construction totals were noted to be only 4,000 rooms off of the 2007/2008 peak.

Total U.S. Active Development Pipeline			
Phase	***2019***	***2018***	***% Change***
In Construction	207	188	10.4%
Final Planning	238	215	10.6%
Planning	216	203	5.9%
Under Contract	661	606	9.0%
Source: Smith Travel Research			
Compiled by LW Hospitality Advisors®			

**Total U.S. Pipeline, by Phase, '000s Rooms, August 2019 and 2018*

The following chart ranks top US markets by rooms under construction as a percentage of existing room supply.

Largest % of Rooms In Construction		
Market	***Rooms In Construction***	***% of Existing***
Nashville, TN	5,572	12%
New York, NY	14,437	11%
Minneapolis/St Paul, MN-WI	3,482	8%
Tampa/St Petersburg, FL	3,137	7%
Boston, MA	3,826	6%
Dallas, TX	5,913	6%
Los Angeles/Long Beach, CA	6,130	6%
Philadelphia, PA-NJ	2,866	6%
Phoenix, AZ	3,964	6%
Orlando, FL	7,099	6%
Source: Smith Travel Research		
Compiled by LW Hospitality Advisors®		

**Rooms In Construction and as % of Existing Supply, Largest % In Top 26 Markets, Aug 2019*

Conclusion

America's hotel sector has been operating at peak levels for the past three years as an expanding economy has readily absorbed accelerated supply growth in most markets. U.S. lodging supply and demand growth are expected to moderate, resulting in a very slight decline in occupancy. Therefore, while the economy continues to support revenue growth, the ability to achieve greater profits will be challenged. Hotel operators will need to keep expense growth under control as increases in room rates are the only hope to drive RevPAR growth in the near-term future. Current political/economic uncertainty and speculation of a recession will remain as a top concern for many market participants however current forecasts project that recent trends of relative stability will continue over the near-term future.

Competitive Market Analysis

In consideration of the subject hotel's location, full-service product type, market orientation, and rate positioning, the subject property competes predominately with other full-service, independent or soft branded hotels in the NoMad neighborhood of Manhattan. The subject's competitive hotels have been analyzed based on the location, level of service, amenities, physical attributes, and shared supply and demand factors in the marketplace.

We also recognize that there are various other lodging facilities in the area which may compete with the subject to a nominal degree. For various factors, whether branding, quality, market orientation, pricing or a combination thereof, these properties have not been considered in our competitive supply of hotels. We do, however, recognize their overall impact on the room supply in the market. For example, hotels near the subject's location such as THE PAUL NYC, an Ascend Hotel Collection Member and The Grand NYC Hotel offer inferior amenities and products at a discounted price, while branded properties such as the Hilton Garden Inn New York/Midtown Park Ave, Courtyard by Marriott New York Manhattan/Chelsea, and Hampton Inn Manhattan-Madison Square Garden Area have been excluded due to their respective brand affiliations, limited- and select-service product offerings, and different target markets. We also excluded the MADE Hotel and Life Hotel due to their smaller size and lack of any brand affiliation.

The primary competitive set for the subject hotel consists of seven hotels, which range in size from 194 to 314 rooms, and collectively contain an aggregate of 1770 rooms. The following two tables present summary information on the competitive set. This information was assembled from market interviews, property inspections, and lodging directories. Market segmentation reflects the estimated share of room nights in each of the market segments: commercial, meeting & group, and leisure.


Refinery Hotel
Kimpton Hotel Eventi
Subject: Ace Hotel Ne...
The Roger New York
The Redbury New York
Gansevoort Park Avenue...
Dream Downtown
W New York - Union Squ...
34 St - Penn Station
Pennsylvania Station
Hotel Pennsylvania
Empire State Building
28 St
23rd Street
14 Street
Chelsea Park
Madison Square Park
Eleven Madison Park
Flatiron Building
Gramercy Tavern
Peloton Studio
Barcade
Google
The Grey Dog
Rubin Museum of Art
Westelm
Cosme
ABC Kitchen
Malaline
Baruch College
Gramercy Theatre
69th Regiment Armory
Upland NYC
Touro College
National Museum of Mathematics
The Morgan Library & Museum
The Graduate Center, CUNY
Fashion Institute of Technology
Buffalo Exchange
Whole Foods Market
Brooklyn Bagel & Coffee Company
Upright Citizens Brigade Theatre
The Joyce Theater
Church of St. Francis Xavier
Paragon Sports
Barnes & Noble
The Stand
NYU College...
Tonic East
Dhaba
Lord & Taylor
Pokeworks
Urban Outfitters
Macy's
Manhattan Mall
Foot Locker
Friedman's
Legends
Ace Hotel New York
The Flatiron Room
Eataly
Maialino
Gramercy Theatre
Bank St
West 4th Street
Greenwich Ave
Madison Ave
Park Ave
Lexington Ave
5th Ave
6th Ave
7th Ave
8th Ave
9th Ave
10th Ave
3rd Ave
2nd Ave

Comp Profile				Segmentation			Amenities					
Hotel	Location	Year Built	No. of Rooms	Commercial	Meeting & Group	Leisure	Total Meeting Space (Sq. Ft.)	Meeting Space per Room (Sq. Ft.)	Restaurant	Lounge	Indoor Pool	Outdoor Pool	Fitness Center
Ace Hotel New York	**20 West 29th Street, New York, NY**	**1905**	**286**	**40%**	**10%**	**50%**	**3,500**	**12.2**	**X**				**X**
The Roger Hotel	131 Madison Avenue, New York, NY	1920	194	50%	10%	40%	400	2.1	X	X			X
The Redbury	29 East 29th Street, New York, NY	1906	254	30%	10%	60%	2,700	10.6	X	X			
W Hotel Union Square	201 Park Avenue South, New York, NY	2000	270	60%	15%	25%	5,755	21.3	X	X			X
Kimpton Hotel Eventi	851 Avenue of the Americas, New York, NY	2010	292	45%	20%	35%	15,500	53.1	X	X			X
Royalton Park Avenue	420 Park Avenue South, New York, NY	2010	249	50%	15%	35%	3,000	12.0	X	X	X	X	X
Dream Hotel Downtown	355 West 16th Street, New York, NY	2011	314	55%	10%	35%	6,282	20.0	X	X		X	X
Refinery Hotel	63 West 38th Street, New York, NY	2013	197	55%	15%	30%	630	3.2	X	X			
Totals & Averages			2,056	48%	13%	39%	37,767	18.4					

Property Information				Estimated 2018			Estimated 2019		
Hotel	No. of Rooms	Percent Competitive	Competitive Rooms	Occupancy	Average Rate	RevPAR	Occupancy	Average Rate	Rev PAR
Ace Hotel New York	**285**	**100%**	**285**	**90.4%**	**$289.02**	**$261.38**	**84.6%**	**$270.34**	**$228.75**
The Roger Hotel	194	100%	194	90% - 95%	$270 - $280	$245 - $255	90% - 95%	$265 - $275	$240 - $250
The Redbury	259	100%	259	75% - 80%	$210 - $220	$165 - $175	70% - 75%	$210 - $220	$150 - $160
W Hotel Union Square	270	100%	270	85% - 90%	$385 - $395	$335 - $345	85% - 90%	$380 - $390	$330 - $340
Kimpton Hotel Eventi	292	100%	292	85% - 90%	$315 - $325	$280 - $290	85% - 90%	$310 - $320	$275 - $285
Royalton Park Avenue	249	100%	249	80% - 85%	$340 - $350	$280 - $290	80% - 85%	$335 - $345	$275 - $285
Dream Hotel Downtown	314	100%	314	85% - 90%	$325 - $335	$275 - $285	85% - 90%	$315 - $325	$265 - $275
Refinery Hotel	197	100%	197	90% - 95%	$355 - $365	$325 - $335	90% - 95%	$350 - $360	$325 - $335
Totals and Averages	2,060		2,060	86.76%	$316.23	$274.37	84.99%	$311.29	$264.58

Property Information				Estimated 2018			Estimated 2019		
Hotel	No. of Rooms	Percent Competitive	Competitive Rooms	Occupancy Penetration	ADR Penetration	RevPAR Penetration	Occupancy Penetration	ADR Penetration	RevPAR Penetration
Ace Hotel New York	**285**	**100%**	**285**	**104%**	**91%**	**95%**	**100%**	**87%**	**86%**
The Roger Hotel	194	100%	194	104% - 109%	85% - 89%	89% - 93%	106% - 112%	85% - 88%	91% - 94%
The Redbury	259	100%	259	86% - 92%	66% - 69%	60% - 64%	82% - 88%	67% - 71%	57% - 60%
W Hotel Union Square	270	100%	270	98% - 104%	122% - 125%	122% - 126%	100% - 106%	122% - 125%	125% - 129%
Kimpton Hotel Eventi	292	100%	292	98% - 104%	100% - 103%	102% - 106%	100% - 106%	100% - 103%	104% - 108%
Royalton Park Avenue	249	100%	249	92% - 98%	108% - 111%	102% - 106%	94% - 100%	108% - 111%	104% - 108%
Dream Hotel Downtown	314	100%	314	98% - 104%	103% - 106%	100% - 104%	100% - 106%	101% - 104%	100% - 104%
Refinery Hotel	197	100%	197	104% - 109%	112% - 115%	118% - 122%	106% - 112%	112% - 116%	123% - 127%
Totals and Averages	2,060		2,060	100%	100%	100%	100%	100%	100%

The Roger Hotel

131 Madison Avenue, New York, NY



Property Information	
Number of Rooms:	194
Year Opened:	1920
Meeting Space:	400 Square Feet
Distance From Subject:	< 0.25 miles
2019 Occupancy | ADR:	90%-95% | $265-$275
2019 RevPAR Variance to Subject:	5%-9%

Amenities	
Restaurant	Lounge
Fitness Center	

The Redbury

29 East 29th Street, New York, NY



Property Information	
Number of Rooms:	254
Year Opened:	1906
Meeting Space:	2,700 Square Feet
Distance From Subject:	< 0.25 miles
2019 Occupancy | ADR:	70%-75% | $210-$220
2019 RevPAR Variance to Subject:	-34%--30%

Amenities	
Restaurant	Lounge

W Hotel Union Square

201 Park Avenue South, New York, NY



Property Information	
Number of Rooms:	270
Year Opened:	2000
Meeting Space:	5,755 Square Feet
Distance From Subject:	0.75 miles
2017 Occupancy | ADR:	90%-95% | $370-$380
2017 RevPAR Variance to Subject:	30%-34%

Amenities	
Restaurant	Lounge
Fitness Center	

W Hotel Union Square

201 Park Avenue South, New York, NY



Property Information	
Number of Rooms:	270
Year Opened:	2000
Meeting Space:	5,755 Square Feet
Distance From Subject:	0.75 miles
2019 Occupancy | ADR:	85%-90% | $380-$390
2019 RevPAR Variance to Subject:	44%-49%

Amenities	
Restaurant	Lounge
Fitness Center	

Kimpton Hotel Eventi

851 Avenue of the Americas, New York, NY



Property Information	
Number of Rooms:	292
Year Opened:	2010
Meeting Space:	15,500 Square Feet
Distance From Subject:	< 0.25 miles
2019 Occupancy | ADR:	85%-90% | $310-$320
2019 RevPAR Variance to Subject:	20%-25%

Amenities	
Restaurant	Lounge
Fitness Center	

Royalton Park Avenue

420 Park Avenue South, New York, NY



Property Information	
Number of Rooms:	249
Year Opened:	2010
Meeting Space:	3,000 Square Feet
Distance From Subject:	< 0.25 miles
2019 Occupancy | ADR:	80%-85% | $335-$345
2019 RevPAR Variance to Subject:	20%-25%

Amenities	
Restaurant	Lounge
Indoor Pool	Outdoor Pool
Fitness Center	

Dream Hotel Downtown

355 West 16th Street, New York, NY



Property Information	
Number of Rooms:	314
Year Opened:	2011
Meeting Space:	6,282 Square Feet
Distance From Subject:	1.0 mile
2019 Occupancy | ADR:	85%-90% | $315-$325
2019 RevPAR Variance to Subject:	16%-20%

Amenities	
Restaurant	Lounge
Outdoor Pool	Fitness Center

Refinery Hotel

63 West 38th Street, New York, NY



Property Information	
Number of Rooms:	197
Year Opened:	2013
Meeting Space:	630 Square Feet
Distance From Subject:	0.75 miles
2019 Occupancy | ADR:	90%-95% | $350-$360
2019 RevPAR Variance to Subject:	42%-46%

Amenities	
Restaurant	Lounge

Occupancy & Average Daily Rate Projections

Historical Supply and Demand Analysis

The STR tables below contain data attributable to the primary competitive set. As indicated by the table below, supply and demand have remained relatively constant over the four-year historical period within the mid- to high 80's. The Redbury Hotel converted from the Martha Washington Hotel in November 2015. The subject increased its room count from 274 to 275 in July 2015, from 275 to 283 in March 2016, and from 283 to 285 in January 2017. The Redbury Hotel also decreased its room count from 256 to 254 in February 2017 and increased its room count from 254 to 257 in 2017, and again to 259 in 2018.

Despite the renovations and brand changes in the immediate competitive market, as well as the significant supply increases in the greater market area, the subject market has been able to maintain occupancy levels in the mid to high 80s. However, the competitive market experienced a decline in average rate, which is reflective of the overall Manhattan lodging market trend due largely to the influx of new supply that has opened throughout New York City, as well as the strengthening of the U.S. dollar against foreign currencies (which in turn decreases international tourism). Similar to the rest of Manhattan, this trend continued through 2017, and was followed by a slight uptick in 2018. However, the market declined in 2019 market-wide, due largely to decreased visitation from several international feeder markets.

Within the New York City market, new supply has generally been readily absorbed due to increases in demand levels that have kept pace. While the recent figures do not reflect an outpacing of demand growth over supply growth, this trend is expected to be short-term, and the New York City market is anticipated to see a modest increase in operating performance over the next several years.

The following tables present historical trends in the performance of the primary competitors.

STR Annual Report Trend Table										
Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2011	1,730	-	528,993	-	83.8%	-	$294.32	-	$246.54	-
2012	1,870	8.08%	563,740	6.57%	82.6%	-1.40%	$306.32	4.08%	$253.00	2.62%
2013	2,002	7.07%	621,555	10.26%	85.0%	2.97%	$318.41	3.95%	$270.80	7.04%
2014	2,060	2.89%	650,689	4.69%	86.5%	1.75%	$326.37	2.50%	$282.43	4.29%
2015	2,047	-0.66%	662,452	1.81%	88.7%	2.48%	$321.32	-1.55%	$284.96	0.90%
2016	2,054	0.35%	658,121	-0.65%	87.8%	-1.00%	$312.93	-2.61%	$274.74	-3.59%
2017	2,058	0.10%	663,512	0.43%	88.3%	0.60%	$310.60	-0.73%	$274.36	-0.13%
2018	2,060	0.10%	652,859	-1.60%	86.8%	-1.70%	$316.26	1.81%	$274.61	0.08%
	CAGR	***2.52%***		***3.05%***		***0.51%***		***1.03%***		***1.55%***
Nov										
YTD 2018	2,060	-	598,174	-	86.9%	-	$312.95	-	$272.07	-
YTD 2019	2,060	0.00%	593,858	-0.72%	86.3%	-0.72%	$297.89	-4.81%	$257.12	-5.50%
TTM 2018	2,060	-	654,124	-	87.0%	-	$315.25	-	$274.28	-
TTM 2019	2,060	0.01%	648,537	-0.85%	86.3%	-0.86%	$302.49	-4.05%	$260.91	-4.88%

STR Monthly Report Table						
Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Dec-18	85.6%	-2.4%	$352.39	3.7%	$301.73	1.2%
Jan-19	72.8%	-3.7%	$223.69	-5.3%	$162.86	-8.9%
Feb-19	79.8%	-1.0%	$225.63	-4.0%	$179.98	-4.9%
Mar-19	84.2%	-5.1%	$260.38	-5.6%	$219.11	-10.4%
Apr-19	89.3%	0.7%	$310.55	1.3%	$277.32	2.1%
May-19	88.5%	-1.5%	$332.92	-5.6%	$294.62	-7.1%
Jun-19	90.5%	1.6%	$318.91	-5.3%	$288.49	-3.8%
Jul-19	87.6%	1.1%	$273.49	-6.3%	$239.49	-5.2%
Aug-19	89.4%	-1.6%	$270.12	-3.8%	$241.42	-5.3%
Sep-19	89.0%	1.0%	$367.32	-2.0%	$326.87	-1.1%
Oct-19	91.6%	0.8%	$355.25	-8.8%	$325.26	-8.0%
Nov-19	86.6%	-0.5%	$311.28	-8.2%	$269.71	-8.6%

Proposed Supply

As summarized in the New York City Lodging Market section of this report, there is an abundance of new supply which recently entered, or is proposed to enter, the Manhattan market.

There are ten hotels either recently opened or proposed that we deem directly relevant/competitive with the subject, given the subject's nature as a full-service, independent hotel with a soft brand affiliation in the NoMad area of Manhattan. New supply is summarized below:

Competitive New Supply				
Name	Address	Number of Rooms	Percent Competitive	Opening Date
Arlo NoMad	11 East 31st Street	248	100%	Nov-16
James Hotel NoMad	22 East 29th Street	344	100%	Jun-17
Mondrian Park Avenue	444 Park Avenue South	191	100%	Oct-17
Made Hotel	44 West 29th Street	104	100%	Aug-17
Life Hotel	19 West 31st Street	98	100%	Dec-17
Moxy Chelsea	105-109 West 28th Street	349	100%	Mar-19
Virgin Hotel	1225 Broadway	465	100%	Jul-20
Luxury Hotel	250 Fifth Avenue	153	50%	Jul-20
Le Meridien	292 Fifth Avenue	196	50%	Sep-20
Ritz Carlton	1185 Broadway	250	50%	Jul-21

The table below shows the ramp up of new supply through our projection period:

Competitive New Supply Phase-In					
	2020	**2021**	**2022**	**2023**	**2024**
Arlo NoMad	248	248	248	248	248
James Hotel NoMad	344	344	344	344	344
Mondrian Park Avenue	191	191	191	191	191
Made Hotel	104	104	104	104	104
Life Hotel	98	98	98	98	98
Moxy Chelsea	349	349	349	349	349
Virgin Hotel	233	465	465	465	465
Luxury Hotel	38	77	77	77	77
Le Meridien	32	98	98	98	98
Ritz Carlton	0	63	125	125	125
Total	**1637**	**1974**	**1974**	**1974**	**1974**

Demand Analysis

The following section summarizes our analysis and projection of demand in each of the market segments: commercial, meeting & group, and leisure.

Commercial Demand arises from individuals who are conducting business and visiting various firms in the subject's market area. Commercial/corporate demand is strongest Monday through Thursday nights, declining significantly on Friday and Saturday, and increasing somewhat on Sunday. Commercial/corporate travelers' typical length of stay ranges from one to three days, and this demand is relatively constant throughout the year, although some declines are noticeable in late December and during other holiday periods.

New York City is the business and financial capital of the United States, and serves as a world financial and business center and home to more "Fortune 500" firms than any other city in the nation. New York is also a major center of the entertainment industry, and serves as one of the world's fashion capitals. This high concentration of business activity creates substantial hotel room night demand. As a result, the commercial segment represents the largest segment of the New York City lodging market and accounts for a major portion of transient demand.

The subject market draws some corporate demand from the numerous headquarters and regional offices, as well as the local commercial businesses in the immediate neighborhood, considering its location near Park Avenue South and close proximity to the corporate demand on Madison and Fifth Avenues, as well as Midtown Manhattan. The large office market in the subject property's marketplace, supported by the proximity to Grand Central Station, Empire State Building, and Madison Square Park drives the major corporate accounts. The competitive market also draws commercial transient business from local businesses, particularly those involved in the fashion, arts, entertainment, financial, insurance, technology, pharmaceutical, and bio-technology industries. Given the subject market conditions, we projected commercial demand to remain steady going forward.

Meeting & Group Demand includes groups who reserve blocks of rooms for meetings, seminars, trade association shows, and other similar gatherings of ten or more persons. Group meetings and convention demand is typically strongest during the spring and fall months, while the summer months represent the slowest period for this market segment, and the winter demand varies. Meeting and group travelers typically achieve an average length of stay of three to five days. Historically, most corporate groups met on weekdays and social groups used the weekend periods. However, in the recent past the corporate group booking trends have changed to include some or all of the weekend. Many corporate groups, as a cost containment measure have been utilizing weekend meetings, which usually result in lower airfares and hotel room rates, especially in non-resort markets.

We have included a segment known as MICE (Meetings, Incentives, Conferencing and Exhibitions) as well as SMERF (Social, Military, Educational, Religious, and Fraternal). Room nights from the MICE group consist of groups associated with corporate meetings, conferences and events, as well as incentive travel. Room nights from the SMERF group usually consist of groups such as youth athletic teams and church groups, among a variety of others. Consistent with most group bookings, the SMERF group usually garners a lower room night rate, but offsets rate loss with greater occupancy levels.

Hotels also capture meeting and group demand in the form of hotel guests who are attendees of conventions at other venues. The Jacob K. Javits Convention Center, located between 34th and 39th

Streets and Eleventh and Twelfth Avenues on the west side of Manhattan, recently completed its $465 million renovation in 2013, inclusive of an 110,000-square-foot expansion and installation of 240,000-square-feet of glass curtain wall on the existing facility. Another major $1.5 billion renovation is planned for the Javits Center, as it is reported to still lose out on large events because of space constraints. The latest expansion is expected to add 1.2 million square feet, including 344,000 square feet of meeting and exhibition space on top of the 840,000 square feet already there. The Javits Convention Center currently hosts more than 150 events per year, drawing more than 3.5 million attendees annually.

Group and meeting demand in the immediate subject marketplace is driven primarily by local business meetings during the weekdays, as well as local social and fraternal gatherings during the weekends. Overall, group demand is limited in the subject market due to the relatively small square footage of meeting space at the competitive set of hotels compared to larger full-service hotels with tens of thousands of square feet of meeting space. Given the subject market conditions, we projected meeting & group demand to remain steady going forward.

Leisure Demand consists of individual tourists and families visiting the attractions of a local market and/or passing through en-route to other destinations. Leisure demand is strongest Friday and Saturday nights, holiday periods and the summer months. These peak periods generally are negatively correlated with commercial and meeting & group demand. The spring is also a prime period for weddings and other social activities.

Leisure demand levels tend to vary based on the overall economy, due to changes in levels of disposable income, coupled with the strength or weakness of the U.S. dollar, as a strong dollar promotes domestic travel whereas a weak dollar promotes international travel to the United States.

New York City is one of the nation's premier tourist destinations. According to NYC & Company, New York City has been breaking records of visitors in each of the past eight years. The subject area is within proximate distance of many attractions that draw leisure tourists, including Fifth Avenue shopping and Grand Central Station, as well as the numerous shopping and dining options in the Flatiron District. Leisure demand is also drawn by family and friends of the numerous universities in the immediate area and visiting relatives, as well as the entertainment of New York City. The subject market typically achieves leisure travelers interested in the arts, culture, and design. Given the subject market conditions, we projected leisure demand to remain steady going forward.

Area Wide Demand Projections

The projection of area-wide occupancy is derived from the relationship between estimated future room night demand and future guestroom supply. Annual growth rates for each market segment are applied to the estimated current year-end area-wide room night demand for each market segment to arrive at a projection of area-wide annual lodging demand as set forth in the table on the following page. As mentioned previously, based on our analysis of the local market for transient accommodations for the current year, we have projected varying growth rates in each of the market demand segments over the course of our projection.

Annual Demand Growth Rate			
	1	2	3
Segment	2020	2021	2022
Commercial	0.0%	0.0%	0.0%
Meeting & Group	0.0%	0.0%	0.0%
Leisure	0.0%	0.0%	0.0%

Latent Demand accounts for guests who could not be accommodated by the existing competitive supply for a variety of reasons. Because the local market demand estimate is based on hotel occupancies, it considers only those hotel rooms that were utilized by guests. Latent demand can be divided into displaced demand and induced demand.

Displaced Demand occurs when individuals are unable to rent a room because the marketplace's hotels are filled to capacity. As a result, individuals must defer their trips or make accommodations in other markets. Displaced demand is illustrated further in markets where there are distinct high and low seasons, or several periods of high and low occupancy throughout the year.

Clearly displaced demand exists in the subject market given that the heightened occupancy levels mid-week and many weekends. Historically, New York City has had higher occupancy levels than other metro areas and any new supply that is injected into the market is readily absorbed. With the exception of the winter months during the first quarter, which are typically the slowest months in Manhattan, the competitive market typically achieves above 85 percent occupancy during approximately ten months of the year. The subject's competitive market has achieved above 85 percent occupancy levels in each of the past four calendar years as well. The high average occupancy of New York City results in inevitable displacement of customers willing and able to pay for a hotel room. Thus, we calculated demand for the subject market to account for approximately 75 percent of the new room supply.

Induced Demand is additional demand created by the existence of a new demand generator or the addition to the competitive supply of new lodging properties. The demand generators typically feature specialized facilities designed to cater to a particular segment and attract demand that previously did not exist in the area or increase the attraction of that demand. LHWA® has projected new supply will induce 5 percent of demand into the competitive market, a minimal amount overall.

The following tables summarize our projection of area-wide room night demand, supply, and occupancy rates.

Projected Segmented Demand

Projected Segmented Demand												
Segment	Base Year	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Commercial												
Annual Growth		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	847.2	847.2	847.2	847.2	847.2	847.2	847.2	847.2	847.2	847.2	847.2	847.2
Annual Room Nights	309,218	310,065	309,218	309,218	309,218	310,065	309,218	309,218	309,218	310,065	309,218	309,218
Displaced Demand		208,272	258,613	267,713	267,713	268,446	267,713	267,713	267,713	268,446	267,713	267,713
Induced Demand		11,254	14,474	15,327	15,327	15,369	15,327	15,327	15,327	15,369	15,327	15,327
New Supply		260,340	323,266	334,641	334,641	335,558	334,641	334,641	334,641	335,558	334,641	334,641
Total Segment Demand	309,218	529,592	582,305	592,258	592,258	593,881	592,258	592,258	592,258	593,881	592,258	592,258
Meeting & Group												
Annual Growth		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	232.0	232.0	232.0	232.0	232.0	232.0	232.0	232.0	232.0	232.0	232.0	232.0
Annual Room Nights	84,688	84,920	84,688	84,688	84,688	84,920	84,688	84,688	84,688	84,920	84,688	84,688
Displaced Demand		78,554	104,079	107,719	107,719	108,014	107,719	107,719	107,719	108,014	107,719	107,719
Induced Demand		4,260	5,846	6,187	6,187	6,204	6,187	6,187	6,187	6,204	6,187	6,187
New Supply		98,192	130,099	134,649	134,649	135,017	134,649	134,649	134,649	135,017	134,649	134,649
Total Segment Demand	84,688	167,734	194,613	198,594	198,594	199,138	198,594	198,594	198,594	199,138	198,594	198,594
Leisure												
Annual Growth		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	671.7	671.7	671.7	671.7	671.7	671.7	671.7	671.7	671.7	671.7	671.7	671.7
Annual Room Nights	245,163	245,834	245,163	245,163	245,163	245,834	245,163	245,163	245,163	245,834	245,163	245,163
Displaced Demand		192,531	231,870	237,330	237,330	237,981	237,330	237,330	237,330	237,981	237,330	237,330
Induced Demand		10,377	12,827	13,339	13,339	13,376	13,339	13,339	13,339	13,376	13,339	13,339
New Supply		240,664	289,838	296,663	296,663	297,476	296,663	296,663	296,663	297,476	296,663	296,663
Total Segment Demand	245,163	448,743	489,860	495,832	495,832	497,191	495,832	495,832	495,832	497,191	495,832	495,832

	Base Year	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Projected Segmented Demand Totals												
Commercial	309,218	529,592	582,305	592,258	592,258	593,881	592,258	592,258	592,258	593,881	592,258	592,258
Meeting & Group	84,688	167,734	194,613	198,594	198,594	199,138	198,594	198,594	198,594	199,138	198,594	198,594
Leisure	245,163	448,743	489,860	495,832	495,832	497,191	495,832	495,832	495,832	497,191	495,832	495,832
Total Market Demand	639,069	1,146,068	1,266,779	1,286,685	1,286,685	1,290,210	1,286,685	1,286,685	1,286,685	1,290,210	1,286,685	1,286,685
% Change		79.3%	10.5%	1.6%	0.0%	0.3%	-0.3%	0.0%	0.0%	0.3%	-0.3%	0.0%
Market Statistics												
Existing Rooms Supply	2,060	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061
Proposed Rooms Supply	0	1,637	2,036	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099
Total Available Room Nights	751,900	1,353,523	1,495,468	1,518,218	1,518,218	1,522,377	1,518,218	1,518,218	1,518,218	1,522,377	1,518,218	1,518,218
Market-Wide Occupancy	85.0%	84.7%	84.7%	84.7%	84.7%	84.7%	84.7%	84.7%	84.7%	84.7%	84.7%	84.7%

Projected Occupancy and Average Daily Rate

A hotel's ability to generate room revenue is determined by two operating statistics: annual occupancy rate and average daily room rate. In most markets, a room night analysis may be performed to quantify and forecast room night demand. The occupancy of a given hotel may be projected based on its relative competitiveness with other hotels and its penetration through the market. Individual lodging facilities may operate above or below the area-wide occupancy or average rate, depending upon the particular attributes of the property.

Review of Historical Operating Performance

The below table summarizes the subject's occupancy, average daily rate, and revenue per available room over the past four full operating years.

Subject Historical Operating Metrics						
Year	Occ. %	%	ADR	%	RevPAR	%
2015	95.55%	-	$294.34	-	$272.54	-
2016	92.87%	-2.8%	$283.86	-3.6%	$264.32	-3.0%
2017	92.38%	-0.5%	$283.97	0.0%	$264.22	0.0%
2018	90.44%	-2.1%	$289.02	1.8%	$261.38	-1.1%
2019	84.62%	-6.4%	$270.34	-6.5%	$228.95	-12.4%

Note that although requested, we did not received data prior to 2015.

The subject has maintained above-average occupancy since 2015, along with ADR below that of the market average. The decline in performance in 2016 was mostly reflective of the impact of new supply in the market, which yielded an aggregated decline in RevPAR of 3.6% for the competitive set. The subject, by contrast, declined by 3.3%. Overall, the subject maintained strong RevPAR from 2015-2018, though a notable decline was realized in 2019. Per property ownership and management, this decline was due to the impact of new supply in the NoMad area, and the lack of effective marketing practices. Going forward, we anticipate the property will recover to historic averages and achieve further ADR growth subsequent to the renovations occurring in 2020 and 2021.

Penetration Factor Analysis

The projected market share of the subject property is based on a penetration factor analysis. As previously stated, a penetration factor is the ratio between a property's market share and its fair share. Penetration factors were used to project the subject property's ability to capture room night demand. A hotel's fair share of lodging demand is equal to its number of rooms divided by the total competitive supply of rooms. If the subject property were to capture its fair share of the room night demand, it would penetrate the market by 100 percent. A penetration factor above or below 100 percent indicates a hotel's greater or lesser ability to compete in the marketplace.

The following tables illustrate the estimated 2019 penetration factors by market segment for the subject property and its competitors.

Commercial							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
Ace Hotel New York (Subject)	285	13.83%	84.62%	40.00%	35,208	11.39%	82.30%
The Roger Hotel	194	9.42%	90% - 95%	50.00%	31,865 - 33,635	10.3% - 10.9%	109% - 116%
The Redbury	259	12.57%	70% - 75%	30.00%	19,852 - 21,270	6.4% - 6.9%	51% - 55%
W Hotel Union Square	270	13.11%	85% - 90%	60.00%	50,261 - 53,217	16.3% - 17.2%	124% - 131%
Kimpton Hotel Eventi	292	14.17%	85% - 90%	45.00%	40,767 - 43,165	13.2% - 14.0%	93% - 98%
Royalton Park Avenue	249	12.09%	80% - 85%	50.00%	36,354 - 38,626	11.8% - 12.5%	97% - 103%
Dream Hotel Downtown	314	15.24%	85% - 90%	55.00%	53,580 - 56,732	17.3% - 18.3%	114% - 120%
Refinery Hotel	197	9.56%	90% - 95%	55.00%	35,593 - 37,570	11.5% - 12.2%	120% - 127%
Total	2,060	100.00%	84.99%	48.39%	309,218	100.00%	

Meeting & Group							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
Ace Hotel New York (Subject)	285	13.83%	84.62%	10.00%	8,802	10.39%	75.13%
The Roger Hotel	194	9.42%	90% - 95%	10.00%	6,373 - 6,727	7.5% - 7.9%	80% - 84%
The Redbury	259	12.57%	70% - 75%	10.00%	6,617 - 7,090	7.8% - 8.4%	62% - 67%
W Hotel Union Square	270	13.11%	85% - 90%	15.00%	12,565 - 13,304	14.8% - 15.7%	113% - 120%
Kimpton Hotel Eventi	292	14.17%	85% - 90%	20.00%	18,119 - 19,184	21.4% - 22.7%	151% - 160%
Royalton Park Avenue	249	12.09%	80% - 85%	15.00%	10,906 - 11,588	12.9% - 13.7%	107% - 113%
Dream Hotel Downtown	314	15.24%	85% - 90%	10.00%	9,742 - 10,315	11.5% - 12.2%	75% - 80%
Refinery Hotel	197	9.56%	90% - 95%	15.00%	9,707 - 10,246	11.5% - 12.1%	120% - 127%
Total	2,060	100.00%	84.99%	13.25%	84,688	100.00%	

Leisure							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
Ace Hotel New York (Subject)	285	13.83%	84.62%	50.00%	44,011	17.95%	129.76%
The Roger Hotel	194	9.42%	90% - 95%	40.00%	25,492 - 26,908	10.4% - 11.0%	110% - 117%
The Redbury	259	12.57%	70% - 75%	60.00%	39,705 - 42,541	16.2% - 17.4%	129% - 138%
W Hotel Union Square	270	13.11%	85% - 90%	25.00%	20,942 - 22,174	8.5% - 9.0%	65% - 69%
Kimpton Hotel Eventi	292	14.17%	85% - 90%	35.00%	31,708 - 33,573	12.9% - 13.7%	91% - 97%
Royalton Park Avenue	249	12.09%	80% - 85%	35.00%	25,448 - 27,038	10.4% - 11.0%	86% - 91%
Dream Hotel Downtown	314	15.24%	85% - 90%	35.00%	34,096 - 36,102	13.9% - 14.7%	91% - 97%
Refinery Hotel	197	9.56%	90% - 95%	30.00%	19,414 - 20,493	7.9% - 8.4%	83% - 87%
Total	2,060	100.00%	84.99%	38.36%	245,163	100.00%	

Total							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
Ace Hotel New York (Subject)	285	13.83%	84.62%	100.00%	88,021	13.77%	99.55%
The Roger Hotel	194	9.42%	90% - 95%	100.00%	63,729 - 67,270	10.0% - 10.5%	106% - 112%
The Redbury	259	12.57%	70% - 75%	100.00%	66,175 - 70,901	10.4% - 11.1%	82% - 88%
W Hotel Union Square	270	13.11%	85% - 90%	100.00%	83,768 - 88,695	13.1% - 13.9%	100% - 106%
Kimpton Hotel Eventi	292	14.17%	85% - 90%	100.00%	90,593 - 95,922	14.2% - 15.0%	100% - 106%
Royalton Park Avenue	249	12.09%	80% - 85%	100.00%	72,708 - 77,252	11.4% - 12.1%	94% - 100%
Dream Hotel Downtown	314	15.24%	85% - 90%	100.00%	97,419 - 103,149	15.2% - 16.1%	100% - 106%
Refinery Hotel	197	9.56%	90% - 95%	100.00%	64,715 - 68,310	10.1% - 10.7%	106% - 112%
Total	2,060	100.00%	84.99%	100.00%	639,069	100.00%	

The projected room night demand is multiplied by the subject property's fair share percentage and by the projected penetration factor to derive the number of room nights captured during each year. The number of room nights captured is then totaled and divided by the annual number of rooms available at the subject property to estimate the projected annual occupancy level.

A brief summary of the rationale used to project the penetration rates for the subject by market segment follows.

Commercial Penetration

In 2019, the subject property achieved commercial penetration of 82 percent. The hotel is a full-service, independent hotel with a soft brand affiliation in good condition, with amenities inclusive of numerous food and beverage outlets, a fitness center, and approximately 2,800 square feet of dedicated meeting and banquet space. The subject property's location within the NoMad neighborhood proximate to Midtown Manhattan is convenient for commercial travelers, and there are numerous major companies including the corporate headquarters for Credit Suisse, Viacom, Google, Bank of America, PricewaterhouseCoopers, Coach, Marsh & McLennan Companies, and others. The subject's top accounts are with Interpublic Group, Spotify, Google, Nike, Facebook, Founders Card, WPP, and LinkedIn. In consideration of the renovation occurring from 2020-2021, we project penetration to increase to 85 percent in 2020 and stabilize at 87 percent in 2021. Commercial demand is anticipated to continue generating approximately 38 percent of the subject property's business mix.

Meeting & Group Penetration

In 2019, the subject property achieved meeting & group penetration of 75 percent. The subject property has approximately 3,500 square feet of meeting space, an average amount compared to the competitive set. The subject is able to capture group demand from corporate groups that visit the area for trainings and meetings, and from social groups attending events or touring the city. Going forward, considering the continued influx of new supply anticipated, we expect the hotel will work to secure more groups as a means of establishing base business. Going forward, we expect meeting and group penetration to increase to 80 percent in 2020, increase to 90 percent in 2021, and stabilize at 95 percent in 2022. Meeting & Group demand is anticipated to continue generating approximately 14 percent of the subject property's business mix.

Leisure Penetration

In 2019, the subject property achieved leisure penetration of 130 percent. The property is positioned three blocks northeast of Madison Square Park and within walking distance of many of the city's popular tourist attractions and high-end designer retail stores. The subject property is also in close proximity to major tourist attractions including the Empire State Building, Flatiron Building and Madison Square Park. Additionally, the Ace Hotel brand is well-known in major cities such as New York, Los Angeles, and London. Onsite amenities, such as the Breslin Bar & Dining Room, and a lobby bar that provides ongoing entertainment for guests, further increase the hotel's appeal to leisure travelers, particularly those willing to pay higher rates. Guestrooms are unique and offer locally-sourced amenities. In consideration of the ADR growth anticipated given the renovation occurring from 2020-2021, we expect leisure penetration to remain flat and stabilize at 130 percent in 2020. Leisure demand is anticipated to continue generating approximately 48 percent of the subject property's business mix.

Overall Penetration

The subject property is a unique product with attractive amenities and is in good condition. Given the pressure from new supply openings in the submarket and the greater market area, performance has been challenged within the past several years. Going forward, as the new hotels are absorbed into the market, and as renovations are executed, we anticipate the subject will leverage off relatively high occupancy and shift focus to growth of ADR. The following table illustrates our estimated penetration rates over the projection period and resultant occupancy levels:

Ace Hotel New York												
	Historical	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Subject Property's Fair Share												
Market Supply Room	2,060	3,698	4,097	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160
Subject Property Room Count	285	286	286	286	286	286	286	286	286	286	286	286
Fair Share	13.8%	7.7%	7.0%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Room Nights Captured by Subject												
Commercial												
Fair Share	13.8%	7.7%	7.0%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Penetration Factor	82.3%	85.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%
Market Share	11.4%	6.6%	6.1%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Demand	309,218	529,592	582,305	592,258	592,258	593,881	592,258	592,258	592,258	593,881	592,258	592,258
Market Share	11.4%	6.6%	6.1%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Capture	35,208	34,813	35,363	35,429	35,429	35,526	35,429	35,429	35,429	35,526	35,429	35,429
Meeting & Group												
Fair Share	13.8%	7.7%	7.0%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Penetration Factor	75.1%	80.0%	90.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Market Share	10.4%	6.2%	6.3%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Demand	84,688	167,734	194,613	198,594	198,594	199,138	198,594	198,594	198,594	199,138	198,594	198,594
Market Share	10.4%	6.2%	6.3%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Capture	8,802	10,377	12,226	12,972	12,972	13,008	12,972	12,972	12,972	13,008	12,972	12,972
Leisure												
Fair Share	13.8%	7.7%	7.0%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Penetration Factor	129.8%	130.0%	130.0%	130.0%	130.0%	130.0%	130.0%	130.0%	130.0%	130.0%	130.0%	130.0%
Market Share	18.0%	10.1%	9.1%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Demand	245,163	448,743	489,860	495,832	495,832	497,191	495,832	495,832	495,832	497,191	495,832	495,832
Market Share	18.0%	10.1%	9.1%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Capture	44,011	45,115	44,453	44,320	44,320	44,442	44,320	44,320	44,320	44,442	44,320	44,320
Total Capture	88,021	90,306	92,042	92,721	92,721	92,975	92,721	92,721	92,721	92,975	92,721	92,721

Subject Property Projected Occupancy											
Room Nights Captured	88,021	90,306	92,042	92,721	92,721	92,975	92,721	92,721	92,721	92,975	92,721
Available Room Nights	104,025	104,676	104,390	104,390	104,390	104,676	104,390	104,390	104,390	104,676	104,390
Occupancy	84.6%	86.3%	88.2%	88.8%	88.8%	88.8%	88.8%	88.8%	88.8%	88.8%	88.8%
Fiscal Year Adjusted Room Nights Captured	88,021	90,306	92,042	92,721	92,721	92,975	92,721	92,721	92,721	92,975	92,721
Fiscal Year Occupancy		86.3%	88.2%	88.8%	88.8%	88.8%	88.8%	88.8%	88.8%	88.8%	88.8%
Overall Market Share		7.9%	7.3%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Overall Penetration		101.9%	104.1%	104.8%	104.8%	104.8%	104.8%	104.8%	104.8%	104.8%	104.8%

LWHA® projects the subject property to stabilize at 89 percent occupancy as of January 1, 2023. The stabilized occupancy level is intended to reflect the anticipated results as an average of the property over its remaining economic life given any and all changes in the life cycle of the hotel.

Total penetration level for the subject property is estimated to be 105 percent at stabilization. Due to the subject's location, product offering and historical performance, and considering the impact of new supply, we determine this to be a reasonable estimate.

Average Daily Rate Projection

One of the most important considerations in developing an estimate of the value of a lodging facility is a supportable projection of its attainable average rate, which is more formally defined as the average rate per occupied room. Average rate can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. The average rate and the anticipated occupancy percentage are used to project rooms revenue, which in turn provides the basis for developing an opinion of most other income and expense categories. Although the average rate analysis presented here follows the occupancy projections, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding average rate. This relationship is best illustrated by RevPAR, which reflects a property's ability to maximize rooms revenue.

We have examined the rate structure and achieved average room rates and RevPARs of the competitive hotels in the market, in concluding the subject property's average room rate. These are depicted in the following table.

Estimated Competitive ADR - 2019		
Property	*ADR*	*RevPAR*
Ace Hotel New York (Subject)	$270.34	$228.75
The Roger Hotel	$265 - $275	$240 - $250
The Redbury	$210 - $220	$150 - $160
W Hotel Union Square	$380 - $390	$330 - $340
Kimpton Hotel Eventi	$310 - $320	$275 - $285
Royalton Park Avenue	$335 - $345	$275 - $285
Dream Hotel Downtown	$315 - $325	$265 - $275
Refinery Hotel	$350 - $360	$325 - $335
Market Average	*$316.26*	*$274.61*
Subject's Positioned ADR:		**$270.34**

We have utilized the subject's Year End 2019 ADR of $270.34 as the base of our ADR projection analysis. Overall, the subject maintained strong RevPAR from 2015-2018, though a notable decline was realized in 2019. Per property ownership and management, this decline was due to the impact of new supply in the NoMad area, and the lack of effective marketing practices. Going forward, we anticipate the property will recover to historic averages and achieve further ADR growth subsequent to the renovations occurring in 2020 and 2021. Our projections going forward consider our simultaneous penetration and occupancy projections.

We believe there is notable ADR growth capacity for the subject, mostly due to our review of comparable hotels. The W Union Square achieved $100 more in ADR than the subject in 2019, despite its similar size (270 keys, versus the subject's 286). Given the national brand affiliation of W under the Marriott umbrella, it is to be expected that the W would outperform the Ace, though at a lesser spread than $100. Another comparable we closely reviewed is the Kimpton Eventi hotel, which has an affiliation within the InterContinental Hotel Group, though Kimpton largely retains its consumer perception as a boutique hotel product. The Eventi is slightly larger than the subject, with 292 keys, and located one block away. Given the similarities in size, specific location, condition, and amenities offered onsite, we believe it is reasonable to expect the subject to perform at similar levels. Accordingly, our projected stabilized ADR deflated back to 2019 is nearly equivalent to that of the Eventi.

Furthermore, although we have considered the anticipated negative impact of new supply in our penetration projections, we have also considered the potential positive impact. The new hotels entering the market are all high-quality products, most of which are relatively unique in nature, and offer attractive ancillary amenities. These new products have the ability to further bolster the appeal of the area, and to drive ADR to stronger levels.

The renovations occurring onsite will be completed between 2020 and 2021, and will be focused on the guestroom product. We assume that as renovations are completed, the renovated guestrooms will enter into the rooms inventory on a rolling basis. As such, we believe there is potential for ADR growth during the renovation period, with more significant growth achieved upon full completion of the renovations in Year 3. Going forward, average daily rate is forecasted to increase by 7.0 percent in the first fiscal year, 7.0 percent in the second fiscal year, and 10.0 percent in the third fiscal year.

In the subsequent years, average daily rate is forecasted to increase at the underlying rate of inflation of 3.0 percent per year. A discussion of our inflation forecast is included in the Income Capitalization Approach section of this report.

Subject's Projected ADR		
Year	ADR Growth	Projected ADR
Year End 2019	-	$270.34
1/1/2020 - 12/31/2020	**7.0%**	**$289.27**
1/1/2021 - 12/31/2021	**7.0%**	**$309.52**
1/1/2022 - 12/31/2022	**10.0%**	**$340.47**
1/1/2023 - 12/31/2023	3.0%	$350.68
1/1/2024 - 12/31/2024	3.0%	$361.20
1/1/2025 - 12/31/2025	3.0%	$372.04
1/1/2026 - 12/31/2026	3.0%	$383.20
1/1/2027 - 12/31/2027	3.0%	$394.70
1/1/2028 - 12/31/2028	3.0%	$406.54
1/1/2029 - 12/31/2029	3.0%	$418.73
1/1/2030 - 12/31/2030	3.0%	$431.29
1/1/2031 - 12/31/2031	3.0%	$444.23
1/1/2032 - 12/31/2032	3.0%	$457.56
1/1/2033 - 12/31/2033	3.0%	$471.29

A hotel's ability to raise room rates is affected by several factors as indicated below.

- *Supply and Demand Relationships* – The relationship between supply and demand is one of the factors that determine hotel occupancies and average rates. Strong markets where lodging demand is increasing faster than supply are often characterized by rate growth that exceeds inflation. Markets that are overbuilt or suffering from declining demand are unlikely to exhibit any significant increases in average rates.

- *Inflationary Pressures* – Price increases caused by inflation affect hotel room rates by eroding profit margins and encouraging operators to raise prices. This strategy is effective only in markets that are characterized by a healthy supply and demand relationship.

- *Improving the Competitive Standard* – When a new lodging facility enters a mature market, its rates may be set higher than the market-wide average in an effort to justify the development costs. This may allow other competitors to achieve corresponding gains by effectively raising the amount the market will bear. However, if the addition to supply has a severe impact on the occupancy levels of other hotels, price competition may ensue.

- *Property-Specific Improvements* – Changes that make a hotel more or less attractive to guests can have an impact on average rate. An expansion, renovation, upgrading, or the introduction of additional facilities and amenities may enable greater-than-inflationary room rate increases. Likewise, deferred maintenance may make a property less competitive, engendering a decline in room rates.

The operating performance of the subject hotel is projected in terms of annual guestroom occupancy and average daily room rate. Based on the previously concluded occupancy and average room rate, the subject's room revenue is projected as illustrated below.

Occupancy, ADR, RevPAR and Rooms Revenue Conclusions				
Projection Year:	1	2	3	4
Fiscal Year Ending December 31:	2020	2021	2022	2023
Number of Days in Year:	366	365	365	365
Number of Rooms:	286	286	286	286
Annual Available Rooms:	104,676	104,390	104,390	104,390
Occupied Rooms:	90,021	91,863	92,907	92,907
Annual Occupancy:	86.00%	88.00%	89.00%	89.00%
Average Rate:	$289.27	$309.52	$340.47	$350.68
RevPAR:	$248.77	$272.37	$303.02	$312.11
Rooms Revenue	$26,040,272	$28,433,167	$31,631,904	$32,580,857

Occupancy and Average Daily Rate Conclusion

Given the hotel's location, the complementary demand generators and amenities within the area, and the quality and size of the property, it has been assumed that the 105 percent occupancy penetration is reasonable for the subject hotel upon stabilization. Hence, we have stabilized the subject hotel's occupancy at 89 percent as of January 1, 2023. We also believe the subject's $350.68 stabilized ADR and $312.11 RevPAR in year four to be reasonable and appropriate given the subject's location, brand, size, facilities, amenities and level of service.

Highest and Best Use Analysis

Highest and best use, as defined by the Dictionary of Real Estate Appraisal, 6th Edition, 2015, which is a publication of the Appraisal Institute, is defined as:

> *The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*

Legally Permissible

As noted earlier, the subject site is located within the M1-6 District and has several permitted commercial uses, which include commercial, manufacturing and light industrial. Since December 2018, the City adopted a text amendment to the M1 zoning district regulations, as a result of which hotel development in M1 districts now require a special-use permit. We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

Physically Possible

The physical aspects of the 0.40-acre parcel dictate the possible uses. The size, shape, accessibility and location of the land are all determinants of the value. The subject parcel has very good accessibility and excellent visibility in New York and lends itself to most types of development. The configuration of the 0.40-acre subject site would not constrict a potential developer from building on this site and is considered ample for either office or hotel use. The topography of the subject site is generally flat. Additionally, numerous other commercial developments exist within the market. All public utilities are available to the site. No physical impediments exist to restrict development.

Financially Feasible

The neighborhood immediately surrounding the subject includes a mixture of hotel, office, restaurant, retail uses. Economic demand for the use of the subject site is created by its location in New York, New York. The current fundamentals for the market are sound and the local market will continue to support commercial activity. Due to these factors, the subject site is well-suited for hotel, office, and/or retail development, all of would be judged to be viable uses of the site today. However, recognize that fully determining the financial feasibility of any of these uses require a thorough examination and analysis of the specific use and market within which it competes and is therefore outside the scope of this assignment.

Maximally Productive

All legally permissible, physically possible and financially feasible uses of the subject site have been considered in our analysis.

Highest and Best Use of Site As If Vacant

The subject site is of adequate size of 0.40-acre to support most commercial uses in New York. All types of improvements suitably scaled to the site would be physically possible. Legal restrictions as they apply

to the subject property are private restrictions and the public restrictions of zoning. As previously mentioned, the site is located within the M1-6 District, and a variety of residential and commercial uses are allowed. The size and configuration of the site are considered to be suitable for the existing hotel development, as well as an array of commercial uses.

The property's excellent visibility on the southeast corner of Broadway and West 29th Street suggests that residential and/or commercial development would be most appropriate. The site is in a very good location with easy accessibility to major transportation hubs. The market as a whole is considered healthy and continued improvements in the national and local economies should provide an impetus for growth. The feasibility of new construction advances as the national and local economies continue to improve. As such, it is our opinion that the highest and best use of the subject site, as vacant, is for residential and/or commercial development.

Highest and Best Use As Improved

According to the Dictionary of Real Estate Appraisal, highest and best use of the property as improved is defined as:

> *The use that should be made of a property as it exists. An existing improvement should be renovated or retained "as is" so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.*

Considered as improved, the subject hotel is an established enterprise in the local hotel market and represents a good quality investment property. Conversion of the property to an alternative use would be prohibitively expensive, as the building would require major structural alterations. The existing subject improvements are not excessive in relation to the site's capacity and are assumed to meet local zoning requirements. The subject improvements are compatible with the surrounding development, and have significant contributory value. Therefore, we have concluded that the existing development represents the highest and best use for the property as improved.

The most likely buyer for the subject hotel is an investment entity with expertise in the ownership of hotel properties, including, but not limited to, a publicly traded hotel entity, a private REIT, a strategic buyer, a a local or regional hotel owner or operator, or an overseas investor.

Valuation Process

Three approaches are generally used to estimate market value; the income capitalization, sales comparison, and cost approaches. These approaches may indicate different results that must be reconciled in deriving the final estimate. In estimating the value of the subject property, we have attempted to re-create the thought processes and analyses that potential buyers of such a property would use. The most likely buyers for this property would rely primarily upon a discounted cash flow analysis of the anticipated income stream from the property. The sales comparison approach was employed as a secondary and supportive technique.

Income Capitalization Approach

The Income Capitalization Approach reflects the subject's income-producing capabilities. The two common valuation techniques associated with the Income Capitalization Approach are direct capitalization and the discounted cash flow (DCF) analysis.

The Income Capitalization Approach, utilizing the discounted cash flow technique, measures the present value of projected income flows and the reversion of the property sale. Like the other approaches, the income approach requires extensive market research, which provides information about trends and market anticipation. After income and expenses are estimated, the income stream is capitalized by applying an appropriate rate or factor, and converted into present value through discounting. The quantity, variability, timing and duration of a set of periodic incomes and the quantity and timing of the reversion are specified and discounted to a present value at a specified yield rate. The rates used for capitalization or discounting are derived from acceptable rates of return for similar properties.

Our experience with hotel investors indicates that the methodology used in estimating market value by the Income Capitalization Approach is comparable to that employed by typical hotel and motel investors. For this reason, the Income Capitalization Approach produces the most supportable market value opinion, and it generally is given the greatest weight in the hotel valuation process.

Sales Comparison Approach

The Sales Comparison Approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property market. A value indication is produced by comparing the subject property with similar properties. This approach is accomplished by estimating the degree of similarity or difference between the subject property and the comparable sales by considering various elements of comparison. The sale prices of the properties that are judged to be most comparable tend to indicate a range in which the value for the subject property will fall.

The Sales Comparison Approach may provide a useful value opinion in the case of simple forms of real estate such as vacant land and single-family homes, where the properties are homogeneous and the adjustments are few and relatively simple to compute. In the case of complex investments such as lodging facilities, where the adjustments are numerous and more difficult to quantify, the Sales Comparison Approach loses a large degree of reliability.

Hotel investors typically do not employ the Sales Comparison Approach in reaching their final purchase decisions. Factors such as the lack of recent comparable sales data and the numerous adjustments that are necessary often make the results of the Sales Comparison Approach questionable. Although the Sales

Comparison Approach may provide a range of values that supports the final opinion of value, reliance on this approach beyond the establishment of broad parameters is rarely justified by the quality of the sales data.

As an appraiser, one attempts to mirror the actions of the marketplace. In that our experience indicates that sophisticated hotel investors depend largely on financial considerations when making final purchase decisions, we generally do not give the Sales Comparison Approach strong consideration in the hotel appraisal process beyond establishing a probable range of value.

Cost Approach

The Cost Approach is based on the understanding that market participants relate value to cost. The value of the property is derived by adding the estimated value of the land to the current cost of reproduction or replacement of the improvements and then subtracting the amount of depreciation in the structures from all causes. Profit for coordination by the entrepreneur is included in the value indication. This approach is particularly useful in valuing new or nearly new improvements and properties that are not frequently exchanged.

We find that knowledgeable hotel buyers base their purchase decisions on economic factors, such as projected net income and return on investment. Because the cost approach does not reflect these income-related considerations and requires a number of highly subjective depreciation estimates, in addition to the existence of the current improvement, this approach was omitted from the valuation process of this specific property.

Reconciliation

Reconciliation and correlation of value indications is the final step in the valuation process. Given the particular appraisal problem and purpose, the appraiser assesses the reliability of each approach and the quality of the data considered. Most weight is given to the approach that produces the most reliable solution and most closely reflects the behavior of typical investors. Based upon our experience in the lodging investment market, we believe that the Income Capitalization Approach produces the most supportable value opinion, and it is given the greatest weight in developing our value conclusion.

Income Capitalization Approach

The income capitalization approach is a method used to convert the anticipated economic benefits of property ownership into a value estimate through a capitalization process. The two most common methods of converting net income into value are the direct capitalization technique, where an overall rate is extracted directly from pertinent market sales, and the discounted cash flow technique, wherein anticipated future income streams and a reversionary value are discounted to a present value estimate.

In valuing the subject property, we believe that potential investors looking to acquire a property such as the subject would place greater emphasis on the second technique that takes into consideration expected streams of income and residual proceeds from a hypothetical sale at the end of the holding period.

Review of Financial Operating Statements

The historical financial operating statements, illustrated in the table on the following page, were provided by property ownership.

Where applicable, we have reorganized the statements in accordance with the Uniform System of Accounts for the Lodging Industry (Eleventh Revised Edition), published by the Educational Institute of the American Hotel and Lodging Association. Please note we put forth substantial efforts to obtain the best available data, and worked with ownership extensively to appropriately compile financial statements. Ownership's financial statement record-keeping formats and methodologies entail compilation of several statements prepared by different groups; namely, the hotel financial statements prepared by the hotel manager (Ace Hotel Group), the restaurant financial statements, and the financial statements prepared by ownership which includes additional management and administrative expenses, as well as the residential and retail rent and recoveries. We assume that our understanding of the financials to be accurate. We also considered the financial statements of several relevant comparable hotels in Manhattan as a means of projecting expenses going forward appropriate for the subject, considering its size, revenue production, and the expanded nature of the operation given the inclusive of a sizable food and beverage component, and numerous retail and residential tenants.

Ace Hotel New York
Full Operating History

	Actual				Actual				Actual				Actual				Trailing 12 Month Actual			
Fiscal Year Ending December 31:	2015				2016				2017				2018				2019 (YE December 31)			
Number of Days in Year:	366				365				365				365				365			
Number of Rooms:	283				283				283				285				285			
Annual Available Rooms:	100,374				103,566				103,295				104,025				104,117			
Occupied Rooms:	95,906				96,186				96,109				94,076				88,099			
Annual Occupancy:	95.55%				92.87%				92.38%				90.44%				84.62%			
Average Rate:	294.34				283.86				283.97				289.02				270.34			
RevPAR:	272.54				264.32				264.22				261.38				228.95			
Revenue	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**
Rooms	28,229	86.8%	99,749	294.34	27,303	87.5%	96,478	283.86	27,292	87.2%	96,440	283.97	27,190	88.1%	95,403	289.02	23,817	83.7%	83,568	270.34
Food & Beverage	792	2.4%	2,798	8.26	806	2.6%	2,847	8.38	753	2.4%	2,662	7.84	730	2.4%	2,561	7.76	660	2.3%	2,316	7.49
Other Operated Departments	720	2.2%	2,543	7.50	409	1.3%	1,444	4.25	458	1.5%	1,617	4.76	335	1.1%	1,175	3.56	267	0.9%	938	3.04
Residential Rent	420	1.3%	1,482	4.37	388	1.2%	1,370	4.03	428	1.4%	1,512	4.45	422	1.4%	1,481	4.49	414	1.5%	1,454	4.70
Retail Rent	557	1.7%	1,969	5.81	619	2.0%	2,186	6.43	669	2.1%	2,363	6.96	642	2.1%	2,254	6.83	956	3.4%	3,356	10.86
Retail Rent Recovery/Credit	358	1.1%	1,267	3.74	202	0.6%	713	2.10	318	1.0%	1,122	3.30	279	0.9%	978	2.96	289	1.0%	1,016	3.29
Restaurant Rent	1,428	4.4%	5,046	14.89	1,482	4.7%	5,236	15.40	1,382	4.4%	4,883	14.38	1,250	4.1%	4,384	13.28	859	3.0%	3,014	9.75
New Retail Rent	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00
Amenity Fee	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	1,192	4.2%	4,184	13.53
Total Revenue	**32,503**	**100.0%**	**114,853**	**338.91**	**31,207**	**100.0%**	**110,274**	**324.45**	**31,300**	**100.0%**	**110,600**	**325.67**	**30,848**	**100.0%**	**108,237**	**327.90**	**28,456**	**100.0%**	**99,845**	**323.00**
Departmental Expenses																				
Rooms - Combined	9,709	34.4%	34,307	101.23	9,666	35.4%	34,156	100.49	9,605	35.2%	33,941	99.94	9,806	36.1%	34,406	104.23	10,329	43.4%	36,243	117.25
Food & Beverage - Combined	511	64.5%	1,805	5.33	523	64.9%	1,848	5.44	484	64.2%	1,709	5.03	499	68.4%	1,752	5.31	472	71.6%	1,658	5.36
Other Operated Departments - Combined	275	38.2%	971	2.87	78	19.1%	276	0.81	176	38.5%	623	1.84	157	47.0%	552	1.67	167	62.5%	586	1.90
Total Departmental Expenses	**10,494**	**32.3%**	**37,083**	**109.42**	**10,267**	**32.9%**	**36,279**	**106.74**	**10,265**	**32.8%**	**36,273**	**106.81**	**10,463**	**33.9%**	**36,711**	**111.21**	**10,969**	**38.5%**	**38,487**	**124.51**
Departmental Income (Loss)	**22,009**	**67.7%**	**77,771**	**229.49**	**20,940**	**67.1%**	**73,994**	**217.71**	**21,035**	**67.2%**	**74,327**	**218.86**	**20,385**	**66.1%**	**71,526**	**216.69**	**17,487**	**61.5%**	**61,358**	**198.49**
Undistributed Operating Expenses																				
Administrative & General - Combined	3,196	9.8%	11,293	33.32	3,209	10.3%	11,339	33.36	3,279	10.5%	11,586	34.12	3,227	10.5%	11,323	34.30	3,652	12.8%	12,813	41.45
Information & Telecommunications Systems	191	0.6%	675	1.99	354	1.1%	1,253	3.69	415	1.3%	1,466	4.32	430	1.4%	1,510	4.58	440	1.5%	1,545	5.00
Marketing - Combined	1,519	4.7%	5,367	15.84	1,507	4.8%	5,324	15.67	1,854	5.9%	6,550	19.29	1,960	6.4%	6,877	20.83	2,103	7.4%	7,377	23.87
Utility Costs	1,137	3.5%	4,019	11.86	1,099	3.5%	3,884	11.43	1,060	3.4%	3,745	11.03	859	2.8%	3,013	9.13	837	2.9%	2,936	9.50
Property Operation & Maintenance - Combined	1,690	5.2%	5,971	17.62	1,899	6.1%	6,711	19.75	1,557	5.0%	5,503	16.20	1,656	5.4%	5,811	17.61	1,708	6.0%	5,994	19.39
Total Undistributed Operating Expenses	**7,733**	**23.8%**	**27,325**	**80.63**	**8,069**	**25.9%**	**28,511**	**83.89**	**8,165**	**26.1%**	**28,850**	**84.95**	**8,132**	**26.4%**	**28,534**	**86.44**	**8,740**	**30.7%**	**30,665**	**99.20**
Income After Undistributed Operating Expenses	**14,276**	**43.9%**	**50,446**	**148.86**	**12,872**	**41.2%**	**45,483**	**133.82**	**12,870**	**41.1%**	**45,477**	**133.91**	**12,253**	**39.7%**	**42,992**	**130.24**	**8,748**	**30.7%**	**30,693**	**99.29**
Fixed Charges																				
Management Fee	944	2.9%	3,337	9.85	604	1.9%	2,133	6.28	601	1.9%	2,124	6.25	596	1.9%	2,090	6.33	550	1.9%	1,930	6.24
Property Taxes	3,018	9.3%	10,666	31.47	3,305	10.6%	11,679	34.36	2,203	7.0%	7,784	22.92	2,550	8.3%	8,946	27.10	3,052	10.7%	10,708	34.64
Insurance	304	0.9%	1,076	3.17	257	0.8%	909	2.67	275	0.9%	971	2.86	273	0.9%	958	2.90	301	1.1%	1,054	3.41
Reserve for Replacement	*1,300*	4.0%	4,594	13.56	*1,248*	4.0%	4,411	12.98	*1,252*	4.0%	4,424	13.03	*1,234*	4.0%	4,329	13.12	*1,138*	4.0%	3,994	12.92
Equipment Rental	17	0.1%	59	0.17	16	0.1%	56	0.17	16	0.1%	56	0.17	-	0.0%	-	0.00	0	0.0%	-	0.00
Non-Operating / Non-Recurring	-	0.0%	-	0.00	236	0.8%	833	2.45	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00
Total Fixed Charges	**5,584**	**17.2%**	**19,732**	**58.22**	**5,666**	**18.2%**	**20,022**	**58.91**	**4,347**	**13.9%**	**15,359**	**45.23**	**4,652**	**15.1%**	**16,324**	**49.45**	**5,041**	**17.7%**	**17,686**	**57.21**
Lease Rent	600	1.8%	2,120	6.26	600	1.9%	2,120	6.24	525	1.7%	1,857	5.47	-	0.0%	-	0.00	522	1.8%	1,833	5.93
Hotel Cash Flow	**8,092**	**24.9%**	**28,594**	**84.38**	**6,606**	**21.2%**	**23,341**	**68.68**	**7,998**	**25.6%**	**28,261**	**83.22**	**7,600**	**24.6%**	**26,668**	**80.79**	**3,185**	**11.2%**	**11,174**	**36.15**

Note, we have input reserves for replacement of 4.0% of gross revenues

Comparable Analysis – Industry Averages & Comparable Hotels

In order to bolster our forecast for the subject property, we have analyzed the operating performance of the subject versus hotel industry averages and various comparable hotels.

Illustrated on the following page are aggregate averages for four selected property descriptive categories from the most recent HOST Report, published by Smith Travel Research.

Those comparative categories that were analyzed include:

Affiliation: Chain-Affiliated
Geographic Region: Middle Atlantic
Location: Urban
Price Category: Upper Upscale

HOST Report

Ace Hotel New York
Host Comparison

Category	Subject TTM Through Dec 2019			Host Weighted Average			Affiliation: Full Service Chain-Affiliated			Geographic Region: Full Service Middle Atlantic			Location: Full Service Urban			Price Category: Full Service Upper Upscale		
Occupancy (of Sample)	90.44%			75.93%			74.91%			77.44%			76.33%			75.14%		
Average Size Of Property (Rooms)	285			346			301			311			377			395		
Average Daily Rate	$289.02			$206.69			$192.14			$236.97			$212.98			$187.11		
	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR
REVENUE																		
Rooms	88.1%	$95,403	$289.02	67.2%	$57,440	$206.69	65.6%	$52,651	$192.14	71.7%	$66,951	$236.97	68.2%	$59,390	$212.98	64.0%	$51,477	$187.11
Food	0.0%	$0	$0.00	16.6%	$14,052	$50.65	17.3%	$13,861	$50.58	14.0%	$13,118	$46.43	16.3%	$14,184	$50.87	18.4%	$14,828	$53.90
Beverage	0.0%	$0	$0.00	4.9%	$4,208	$15.15	5.0%	$3,994	$14.58	4.9%	$4,581	$16.21	4.9%	$4,303	$15.43	4.9%	$3,975	$14.45
Other Food & Beverage	0.0%	$0	$0.00	6.0%	$5,109	$18.40	5.8%	$4,656	$16.99	6.0%	$5,564	$19.69	5.9%	$5,098	$18.28	6.3%	$5,096	$18.52
Food & Beverage	2.4%	$2,561	$7.76	27.5%	$23,369	$84.19	28.0%	$22,511	$82.15	24.9%	$23,262	$82.34	27.1%	$23,585	$84.58	29.7%	$23,899	$86.87
Other Operated Departments	8.1%	$8,791	$26.63	2.8%	$2,382	$8.61	3.8%	$3,043	$11.11	1.6%	$1,475	$5.22	2.6%	$2,282	$8.18	3.4%	$2,713	$9.86
Miscellaneous Income	0.0%	$0	$0.00	2.4%	$2,007	$7.24	2.6%	$2,114	$7.72	1.9%	$1,742	$6.17	2.1%	$1,842	$6.61	2.9%	$2,299	$8.36
Total Revenue	**98.6%**	**$106,756**	**$323.41**	**100.0%**	**$85,197**	**$306.73**	**100.0%**	**$80,319**	**$293.11**	**100.0%**	**$93,430**	**$330.70**	**100.0%**	**$87,099**	**$312.36**	**100.0%**	**$80,387**	**$292.20**
DEPARTMENTAL EXPENSES																		
Rooms	36.1%	$34,406	$104.23	27.3%	$15,831	$56.91	25.6%	$13,503	$49.28	31.2%	$20,906	$74.00	27.1%	$16,109	$57.77	25.7%	$13,216	$48.04
Food & Beverage	68.4%	$1,752	$5.31	74.5%	$17,413	$62.68	71.0%	$15,974	$58.29	85.7%	$19,939	$70.57	74.5%	$17,580	$63.05	68.2%	$16,298	$59.24
Other Operated Depts & Rentals	47.0%	$552	$1.67	70.9%	$1,677	$6.06	74.4%	$2,263	$8.26	78.8%	$1,162	$4.11	64.6%	$1,474	$5.29	68.1%	$1,846	$6.71
Total Departmental Expenses	33.9%	$36,711	$111.21	40.9%	$34,922	$125.65	39.5%	$31,740	$115.83	45.0%	$42,007	$148.68	40.4%	$35,163	$126.10	39.0%	$31,360	$113.99
Total Departmental Profit	**66.1%**	**$70,045**	**$212.20**	**59.1%**	**$50,276**	**$181.08**	**60.5%**	**$48,579**	**$177.28**	**55.0%**	**$51,423**	**$182.01**	**59.6%**	**$51,935**	**$186.25**	**61.0%**	**$49,027**	**$178.21**
UNDISTRIBUTED OPERATING EXPENSES																		
Administrative & General	10.5%	$11,323	$34.30	7.7%	$6,583	$23.69	7.6%	$6,122	$22.34	8.1%	$7,610	$26.94	7.8%	$6,758	$24.24	7.4%	$5,931	$21.56
Information & Telecommunications Systems	1.4%	$1,510	$4.58	1.4%	$1,204	$4.33	1.4%	$1,108	$4.04	1.4%	$1,348	$4.77	1.4%	$1,219	$4.37	1.4%	$1,146	$4.17
Marketing	6.4%	$6,877	$20.83	6.9%	$5,864	$21.12	6.9%	$5,565	$20.31	6.6%	$6,195	$21.93	6.9%	$6,011	$21.56	7.1%	$5,681	$20.65
Franchise Fees	0.0%	$0	$0.00	1.3%	$1,102	$3.97	1.5%	$1,231	$4.49	1.1%	$1,009	$3.57	1.2%	$1,041	$3.73	1.4%	$1,138	$4.14
Utility Costs	2.8%	$3,013	$9.13	2.9%	$2,502	$9.01	3.0%	$2,400	$8.76	2.9%	$2,699	$9.55	2.9%	$2,488	$8.92	3.0%	$2,433	$8.84
Property Operations & Maintenance	5.4%	$5,811	$17.61	4.1%	$3,505	$12.61	4.1%	$3,265	$11.92	4.3%	$4,064	$14.38	4.0%	$3,451	$12.38	4.1%	$3,285	$11.94
Total Undistributed Operating Expenses	26.4%	$28,534	$86.44	24.4%	$20,760	$74.74	24.5%	$19,691	$71.86	24.5%	$22,924	$81.14	24.1%	$20,968	$75.19	24.4%	$19,615	$71.30
Gross Operating Profit	**39.7%**	**$41,511**	**$125.76**	**34.8%**	**$29,516**	**$106.34**	**36.0%**	**$28,888**	**$105.42**	**30.5%**	**$28,498**	**$100.87**	**35.6%**	**$30,968**	**$111.06**	**36.6%**	**$29,412**	**$106.91**
Management Fees	1.9%	$2,090	$6.33	3.3%	$2,829	$10.18	3.4%	$2,712	$9.90	3.3%	$3,049	$10.79	3.4%	$2,944	$10.56	3.3%	$2,627	$9.55
Income Before Fixed Charges	**37.8%**	**$39,421**	**$119.42**	**31.5%**	**$26,688**	**$96.16**	**32.6%**	**$26,176**	**$95.52**	**27.2%**	**$25,449**	**$90.08**	**32.2%**	**$28,024**	**$100.50**	**33.3%**	**$26,786**	**$97.36**
Selected Fixed Charges																		
Property Taxes	8.3%	$8,946	$27.10	4.2%	$3,669	$13.17	3.4%	$2,745	$10.02	6.3%	$5,841	$20.67	4.2%	$3,644	$13.07	3.3%	$2,634	$9.57
Insurance	0.9%	$958	$2.90	0.9%	$785	$2.83	1.0%	$790	$2.88	0.9%	$801	$2.83	0.9%	$772	$2.77	1.0%	$781	$2.84
Reserve For Capital Replacement	4.0%	$4,329	$13.12	1.8%	$1,543	$5.56	2.0%	$1,608	$5.87	1.7%	$1,558	$5.51	1.8%	$1,555	$5.58	1.8%	$1,471	$5.35
Hotel Cash Flow	**24.6%**	**$25,187**	**$76.30**	**26.3%**	**22,234**	**80.16**	**28.2%**	**$22,641**	**$82.62**	**20.1%**	**$18,808**	**$66.57**	**27.1%**	**$23,608**	**$84.66**	**29.1%**	**$23,371**	**$84.95**

Expense Comparables

A table detailing the operating performance of five comparable hotels follows the industry averages table. The comparable statements were taken from our proprietary database.

Ace Hotel New York
Competitive Review

Category	Subject TTM Through Dec 2019			Comp Weighted Average			Comp Hotel 1 Inflated Values			Comp Hotel 2 Inflated Values			Comp Hotel 3 Inflated Values			Comp Hotel 4 Inflated Values			Comp Hotel 5 Inflated Values		
Occupancy (of Sample)	90.44%			82.54%			84.62%			76.47%			76.00%			84.54%			95.10%		
Average Size Of Property (Rooms)	285			217			180			259			189			314			144		
Average Daily Rate	289.02			291.68			299.87			203.84			290.69			325.47			345.15		
	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR
REVENUE																					
Rooms	88.1%	$95,403	$289.02	71.0%	$89,272	$291.68	73.0%	$92,622	$299.87	98.0%	$56,897	$203.84	78.6%	$80,637	$290.69	50.0%	$100,426	$325.47	62.4%	$119,804	$345.15
Food & Beverage	2.4%	$2,561	$7.76	28.0%	$49,282	$157.01	26.3%	$33,329	$107.90	0.0%	$0	$0.00	20.2%	$20,668	$74.51	49.5%	$99,559	$322.66	36.9%	$70,860	$204.15
Other Operated Departments	8.1%	$8,791	$26.63	0.9%	$1,011	$3.34	0.7%	$851	$2.75	2.0%	$1,132	$4.05	0.8%	$790	$2.85	0.5%	$1,016	$3.29	0.6%	$1,236	$3.56
Residential Rent	1.4%	$1,481	$4.49	0.0%	$0	$0.00	0.0%	$0	$0.00	0.0%	$0	$0.00	0.0%	$0	$0.00	0.0%	$0	$0.00	0.0%	$0	$0.00
Total Revenue	**100.0%**	**$108,237**	**$327.90**	**100.0%**	**$139,639**	**$452.30**	**100.0%**	**$126,802**	**$410.53**	**100.0%**	**$58,028**	**$207.90**	**100.0%**	**$102,563**	**$369.73**	**100.0%**	**$201,001**	**$651.43**	**100.0%**	**$191,900**	**$552.86**
DEPARTMENTAL EXPENSES																					
Rooms	36.1%	$34,406	$104.23	36.4%	$30,391	$100.74	30.0%	$27,832	$90.11	57.3%	$32,593	$116.77	33.7%	$27,194	$98.03	30.8%	$30,884	$100.09	27.1%	$32,453	$93.50
Food & Beverage	68.4%	$1,752	$5.31	72.8%	$42,293	$135.15	86.7%	$28,885	$93.52	0.0%	$0	$0.00	130.4%	$26,954	$97.17	79.4%	$79,048	$256.19	89.2%	$63,223	$182.14
Other Operated Departments	47.0%	$552	$1.67	69.7%	$696	$2.39	106.6%	$907	$2.93	145.7%	$1,649	$5.91	86.7%	$685	$2.47	0.0%	$0	$0.00	35.7%	$442	$1.27
Total Departmental Expenses	33.9%	$36,711	$111.21	53.2%	$73,380	$238.29	45.4%	$57,624	$186.56	59.0%	$34,241	$122.68	53.5%	$54,834	$197.67	54.7%	$109,932	$356.28	50.1%	$96,117	$276.91
Total Departmental Profit	**66.1%**	**$71,526**	**$216.69**	**46.8%**	**$66,259**	**$214.01**	**54.6%**	**$69,178**	**$223.97**	**41.0%**	**$23,787**	**$85.22**	**46.5%**	**$47,729**	**$172.06**	**45.3%**	**$91,069**	**$295.15**	**49.9%**	**$95,784**	**$275.95**
UNDISTRIBUTED OPERATING EXPENSES																					
Administrative & General	10.5%	$11,323	$34.30	8.4%	$10,104	$33.04	7.3%	$9,217	$29.84	12.6%	$7,287	$26.11	11.3%	$11,623	$41.90	4.2%	$8,371	$27.13	8.8%	$16,934	$48.79
Information & Telecommunications Systems	1.4%	$1,510	$4.58	1.2%	$1,281	$4.25	0.0%	$0	$0.00	2.8%	$1,597	$5.72	1.7%	$1,778	$6.41	0.5%	$988	$3.20	1.2%	$2,296	$6.61
Marketing	6.4%	$6,877	$20.83	6.1%	$7,009	$23.06	3.2%	$4,026	$13.03	11.6%	$6,714	$24.05	6.9%	$7,030	$25.34	3.6%	$7,208	$23.36	5.4%	$10,345	$29.80
Utility Costs	2.8%	$3,013	$9.13	2.9%	$3,357	$11.06	1.7%	$2,123	$6.87	6.2%	$3,617	$12.96	2.2%	$2,233	$8.05	2.0%	$4,116	$13.34	2.1%	$4,064	$11.71
Property Operations & Maintenance	5.4%	$5,811	$17.61	5.2%	$5,800	$19.11	3.2%	$4,054	$13.12	10.9%	$6,296	$22.56	5.1%	$5,204	$18.76	2.7%	$5,334	$17.29	4.5%	$8,556	$24.65
Total Undistributed Operating Expenses	26.4%	$28,534	$86.44	24.4%	$28,181	$92.55	18.2%	$23,124	$74.87	44.0%	$25,510	$91.40	27.2%	$27,867	$100.46	12.9%	$26,016	$84.32	22.0%	$42,195	$121.56
GROSS OPERATING PROFIT	**39.7%**	**$42,992**	**$130.24**	**22.5%**	**$38,078**	**$121.46**	**36.3%**	**$46,054**	**$149.10**	**-3.0%**	**-$1,723**	**-$6.17**	**19.4%**	**$19,862**	**$71.60**	**32.4%**	**$65,053**	**$210.83**	**27.9%**	**$53,589**	**$154.39**
Management Fees	1.9%	$2,090	$6.33	3.1%	$3,865	$12.64	2.9%	$3,713	$12.02	3.4%	$1,954	$7.00	5.3%	$5,389	$19.43	1.7%	$3,349	$10.86	3.2%	$6,198	$17.86
INCOME BEFORE FIXED CHARGES	**37.8%**	**$40,902**	**$123.91**	**19.4%**	**$34,213**	**$108.82**	**33.4%**	**$42,341**	**$137.08**	**-6.3%**	**-$3,676**	**-$13.17**	**14.1%**	**$14,473**	**$52.17**	**30.7%**	**$61,703**	**$199.98**	**24.7%**	**$47,391**	**$136.53**
Selected Fixed Charges																					
Property Taxes	8.3%	$8,946	$27.10	7.2%	$8,688	$28.15	9.0%	$11,436	$37.02	12.7%	$7,346	$26.32	4.0%	$4,148	$14.95	3.8%	$7,626	$24.72	7.5%	$14,390	$41.46
Insurance	0.9%	$958	$2.90	1.0%	$1,252	$4.05	0.6%	$804	$2.60	1.4%	$808	$2.90	1.4%	$1,452	$5.23	0.5%	$975	$3.16	1.4%	$2,722	$7.84
Reserve For Capital Replacement	4.0%	$4,329	$13.12	1.2%	$1,038	$3.39	0.0%	$0	$0.00	4.5%	$2,611	$9.36	0.0%	$0	$0.00	0.0%	$0	$0.00	1.6%	$3,015	$8.69
Hotel Cash Flow	**24.6%**	**$26,668**	**$80.79**	**9.9%**	**$23,236**	**$73.22**	**23.7%**	**$30,101**	**$97.46**	**-24.9%**	**-$14,442**	**-$51.74**	**8.7%**	**$8,873**	**$31.99**	**26.4%**	**$53,103**	**$172.10**	**14.2%**	**$27,264**	**$78.55**
Adjusted for 3% Management and 4%	**29.9%**	**$32,367**	**$98.06**	**11.4%**	**$23,186**	**$73.10**	**25.8%**	**$32,661**	**$105.74**	**-14.7%**	**-$8,547**	**-$30.62**	**5.7%**	**$5,842**	**$21.06**	**23.2%**	**$46,659**	**$151.22**	**16.3%**	**$31,236**	**$89.99**

Financial Analysis

A summary of the underlying rationale and assumptions used in developing the annual operating performance for the subject hotel is presented in the following text. Fundamental to the opinions of operating results is the assumption of competent and efficient management at the property level, a well-coordinated marketing plan for the hotel, and a well-devised yield management strategy. Among the primary responsibilities of management are the maintenance of a quality facility, the execution of an adequate marketing effort, and operating in a cost efficient manner.

We have used a holding period of thirty one years, given the remaining term of the existing building lease agreement. There is no reversionary value incorporated, as the property is anticipated to return to the leased fee interest owner upon expiration of the current lease.

Our projections incorporate an opinion of general price inflation based upon economic projections from various sources (including the U.S. Congressional Budget Office), tempered by our observations and expectations derived from historical perspectives both locally and nationally. Accordingly, to portray price level changes, we have assumed an average CPI inflation rate of 3.0 percent per year throughout the 10-year projection period. This assumption is intended only to portray an expected long-term trend in price movements, rather than for a specific interval of time.

Operating revenues and expenses for the subject are projected using a proprietary Microsoft Excel model developed for LW Hospitality Advisors®. This model was especially designed to reflect the operating characteristics of a hotel property. The Excel model is based upon the theory that hotel revenues and expenses have an independent fixed component and a dependent component that varies in proportion to occupancy and the overall use of the facility. An estimate of each revenue and expense line item can be made by calculating the fixed and variable percentage components of an established level of revenue or expense. The fixed component is held constant, while the variable component is adjusted for the future incremental changes in occupancy and utilization levels.

Based on our review of the subject's prospective operating performance, as well as our analysis of comparable hotel income and expense statements and industry norms, we have derived base levels of income and expense. The units of comparison include percentage of departmental and/or total revenue, amount per available room, and amount per occupied room. These units of comparison are the basis for calculating the fixed and variable component relationships for each line item.

After reviewing U.S. hotel industry averages, and the performance of comparable hotels, we have developed a 10-year projection of income and expense, with the first year beginning January 1, 2020. Considering the current state of the competitive hotel market, we believe that the subject property will achieve stabilization in year four of the projections, beginning January 1, 2023.

The projection of income and expense is intended to reflect the appraiser's opinion of how a typical buyer would project the subject property's operating results. Depending on the dynamics of the local market, a typical buyer's projection may be adjusted upward or downward. We have attempted to incorporate these considerations into this analysis.

Departmental Revenues

Room Revenues were calculated by estimating annual occupancy and average daily rate per occupied room for the subject property for each year of our analysis period. The estimates of occupancy were multiplied by the estimated ADR for each year to derive room revenues as shown in our DCF model. We expect the hotel's occupancy and ADR to stabilize in Year four.

Occupancy, ADR, RevPAR and Rooms Revenue Conclusions				
Projection Year:	1	2	3	4
Fiscal Year Ending December 31:	2020	2021	2022	2023
Number of Days in Year:	366	365	365	365
Number of Rooms:	286	286	286	286
Annual Available Rooms:	104,676	104,390	104,390	104,390
Occupied Rooms:	90,021	91,863	92,907	92,907
Annual Occupancy:	86.00%	88.00%	89.00%	89.00%
Average Rate:	$289.27	$309.52	$340.47	$350.68
RevPAR:	$248.77	$272.37	$303.02	$312.11
Rooms Revenue	$26,040,272	$28,433,167	$31,631,904	$32,580,857

Total Food and Beverage Revenues reflects the operations managed by the hotel, which includes the minibars and event setups. We estimated these revenues to be $7.42 per occupied room in the stabilized year deflated to year one. The projections are below the range of HOST averages, within the range of the comparable properties, and relatively in line with the subject's historical figures.

Revenue Analysis: Food & Beverage						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	753	2.4%	2,662	7.84
2018	90.4%	289.02	730	2.4%	2,561	7.76
Trailing 12 Month	84.6%	270.34	660	2.3%	2,316	7.49
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	28.0%	22,511	82.15
Middle Atlantic	77.4%	236.97	NA	24.9%	23,262	82.34
Urban	76.3%	212.98	NA	27.1%	23,585	84.58
Upper Upscale	75.1%	187.11	NA	29.7%	23,899	86.87
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	5,999	26.3%	33,329	107.90
Comp Hotel 2	76.5%	203.84	0	0.0%	0	0.00
Comp Hotel 3	76.0%	290.69	3,906	20.2%	20,668	74.51
Comp Hotel 4	84.5%	325.47	31,262	49.5%	99,559	322.66
Comp Hotel 5	95.1%	345.15	10,204	36.9%	70,860	204.15
Projections						
DCF Year 1	86.0%	289.27	685	2.1%	2,395	7.61
DCF Stabilized	89.0%	350.68	753	1.9%	2,633	8.10
DCF Stabilized (Deflated)	89.0%	320.92	689	1.9%	2,409	7.42

Other Operated Departments Revenues include revenues from retail and sundries sold onsite, meeting room rental fees, commissions, cancellation fees, and attrition fees. We estimated these revenues to be $3.05 per occupied room in the stabilized year deflated to year one. The projections are below the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Revenue Analysis: Other Operated Departments						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	458	1.5%	1,617	4.76
2018	90.4%	289.02	335	1.1%	1,175	3.56
Trailing 12 Month	84.6%	270.34	267	0.9%	938	3.04
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	3.8%	3,043	11.11
Middle Atlantic	77.4%	236.97	NA	1.6%	1,475	5.22
Urban	76.3%	212.98	NA	2.6%	2,282	8.18
Upper Upscale	75.1%	187.11	NA	3.4%	2,713	9.86
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	153	0.7%	851	2.75
Comp Hotel 2	76.5%	203.84	293	2.0%	1,132	4.05
Comp Hotel 3	76.0%	290.69	149	0.8%	790	2.85
Comp Hotel 4	84.5%	325.47	319	0.5%	1,016	3.29
Comp Hotel 5	95.1%	345.15	178	0.6%	1,236	3.56
Projections						
DCF Year 1	86.0%	289.27	279	0.9%	975	3.10
DCF Stabilized	89.0%	350.68	309	0.8%	1,081	3.33
DCF Stabilized (Deflated)	89.0%	320.92	283	0.8%	989	3.05

Residential Rent includes rent associated with the residential tenants onsite. Given the nature of rent-control and rent-stabilization laws in New York City, we have assumed the residential rent derived from the SRO tenants will remain flat, and not grow with inflation going forward. It is possible that several SRO units may become available during the projection period, and subsequently converted into hotel keys. However, we believe it would be overly speculative to estimate this figure. As such, we have not accounted for any SRO units to convert into hotel keys during the projection period (However, we have accounted for the reported conversion of one SRO unit in 2019, which is now operated as a hotel guestroom. As such, the current guestroom count of the hotel is now 286). We estimated these revenues to be $4.08 per occupied room in the stabilized year deflated to year one.

Revenue Analysis: Residential Rent						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	428	1.4%	1,512	4.45
2018	90.4%	289.02	422	1.4%	1,481	4.49
Trailing 12 Month	84.6%	270.34	414	1.5%	1,454	4.70
Projections						
DCF Year 1	86.0%	289.27	414	1.3%	1,449	4.60
DCF Stabilized	89.0%	350.68	414	1.0%	1,449	4.46
DCF Stabilized (Deflated)	89.0%	320.92	379	1.0%	1,326	4.08

Retail & Restaurant Rent & Recoveries

Please note the John Dory Oyster Bar closed in 2019, and was replaced by a lease to Milk Bar. The former Project 8 space was replaced by Milk Bar as well. Additionally, in January 2020, Opening Ceremony announced it will be closing all of its retail stores. Per information provided by ownership, we have assumed Opening Ceremony will close in February 2020, and that a new tenant will be installed and commence rent payments on May 1, 2020. This new tenant and the Milk Bar lease have been projected in a separate line item, shown later in this section.

The subject features numerous retail lease tenants, as summarized in the chart below:

Retail Spaces		
Tenant	Square Feet	Location
Stumptown Coffee	562	West 29th Street
Black Seed Bagels	598	Broadway
Opening Ceremony	1,029	Broadway
Milk Bar	N/A	Corner of Broadway & W. 29th
Rudy's Barbershop	2,054	West 29th St. ("The Annex")
Le Labo	N/A	West 29th St. ("The Annex")

The food and beverage outlets are summarized in the chart below:

Food & Beverage Outlets		
Outlet	Number of Seats	Meals Served
The Breslin Bar and Dining Room	120	3
The Lobby Bar	74	24/7
Room Service	N/A	24/7
Food & Beverage Seats	**284**	

Our synopses of each of the lease agreements are displayed below.

Stumptown - Lease Assignment & Assumption		
Date Commenced	-	July 22, 2008; Assigned May 11, 2011
Landlord	-	1186 Broadway Tenant
Tenant	-	Stumptown Coffee Corp. (previously, Stumptown Incorporated)
Termination	-	8 Years, plus one 5-year extension option at tenant's discretion
Details	-	Gross Revenue Rent equal to 9.0% of Gross Revenue, to be increased to 9.5% if tenant opens anotehr café/coffee shop elsewhere in New York State. - Minimum Rent applies in the second lease year and thereafter, per the schedule illustrated below - Tenant's share of property taxes is to equal 1.0% of the spread of a given year's current property taxes over the base year (defined as the taxes paid from January 1, 2009 through December 31, 2009) - Tenant responsible for utilities
Compiled by LW Hospitality Advisors®		

Lease Year	Minimum Rent
1	N/A
2	$25,000.00
3	$25,750.00
4	$26,522.50
5	$27,318.18
6	$28,137.72
7	$28,981.85
8	$29,851.31
9	$30,746.85
10	$31,669.25
11	$32,619.33
12	$33,597.91
13	$34,605.85

Black Seed Bagels - Lease		
Date Commenced	-	April 1, 2018
Landlord	-	1186 Broadway Tenant LLC
Tenant	-	Broadway Bagel Ventures LLC
Termination	-	10 Years, plus two 5-year extension option at tenant's discretion
Details	-	Base Rent: Per Schedule shown below
	-	Percentage Rent. In addition to the Base Rent, Tenant shall pay to Owner as additional rent an amount equal to ten percent (7%) of Gross Revenue above a breakpoint of $2,000,000
	-	Renewal Period Base Rent: Per Schedule shown below (years 11-15)
	-	Second Renewal Period: Rent to be determined at Fair Market Value
	-	Tenant's share of property taxes is to equal 0.56% of the total property tax increases over the base year of July 1, 2017 - June 30, 2018
	-	Tenant responsible for utilities
Compiled by LW Hospitality Advisors®		

Year	Base Rent
1	$140,000
2	$144,200.00
3	$148,526.00
4	$152,981.78
5	$157,571.23
6	$162,298.37
7	$167,167.32
8	$172,182.34
9	$177,347.81
10	$182,668.25

Year	Base Rent
11	$188,148.29
12	$193,792.74
13	$199,606.52
14	$205,594.72
15	$211,762.56

Opening Ceremony - Lease		
Date Commenced	-	December 23, 2009
Landlord	-	1186 Broadway Tenant LLC
Tenant	-	Opening Ceremony at Ace, LLC
Termination	-	5 Years, plus one 5-year extension option at tenant's discretion
Details	-	Base Rent is outlined per the table below.
	-	Percentage Rent. In addition to the Base Rent, Tenant shall pay to Owner as additional rent an amount equal to three percent (3%) of Gross Revenue. A monthly minimum and maximum percentage rent applies, per the schedules shown below.
	-	Tenant's share of property taxes is to equal 0.55% of the total property taxes
	-	Tenant responsible for utilities
Compiled by LW Hospitality Advisors®		

Lease Year	Base Rent per Square Foot	Annual Base Rent	Monthly Base Rent
1	$50.00	$51,450.00	$4,287.50
2	$51.50	$52,993.50	$4,416.13
3	$53.05	$54,588.45	$4,549.04
4	$54.64	$56,224.56	$4,685.38
5	$56.28	$57,912.12	$4,826.01
6	$57.96	$59,640.84	$4,970.07
7	$59.70	$61,431.30	$5,119.28
8	$61.49	$63,273.21	$5,272.77
9	$63.34	$65,176.86	$5,431.41
10	$65.24	$67,131.96	$5,594.33

Lease Year	Minimum Percentage Rent per Square Foot	Annual Minimum Percentage Rent	Monthly Minim Percentage Re
1	$25.00	$25,725.00	$2,143.75
2	$30.00	$30,870.00	$2,572.50
3	$35.00	$36,015.00	$3,001.25
4	$40.00	$41,160.00	$3,430.00
5	$41.20	$42,394.80	$3,532.90
6	$42.43	$43,660.47	$3,638.37
7	$43.70	$44,967.30	$3,747.28
8	$45.02	$46,325.58	$3,860.47
9	$46.37	$47,714.73	$3,976.23
10	$47.76	$49,145.04	$4,095.42

Lease Year	Maximum Percentage Rent per Square Foot	Annual Maximum Percentage Rent
1	$70.00	$72,030.00
2	$72.10	$74.190.9
3	$74.26	$76.413.54
4	$76.49	$78.708.21
5	$78.78	$81.064.62
6	$81.15	$83.503.35
7	$83.59	$86.014.11
8	$86.09	$88.586.61
9	$88.67	$91.241.43
10	$91.33	$93.978.57

Rudy's - Lease		
Date Commenced	-	June 1, 2011
Landlord	-	1186 Broadway Tenant LLC
Tenant	-	Rudy's New York LLC
Termination	-	5 Years, plus one 5-year extension option at tenant's discretion
Details	-	Base Rent to equal, for each Lease Year during the Initial Term, an annual amount equal to the greater of: (a) the Fixed Rent for such Lease Year, or (b) six percent (6%) of the Gross Revenue (as hereinafter defined) for such Lease Year; and for each Lease Year during the Renewal Term, an annual amount equal to the sum of (a) the Fixed Rent for such Lease Year, plus (b) three percent (3%) of the Gross Revenue for such Lease Year. - The Fixed Rent is defined as $35,160 per year in year one; an increase of the greater of 3% or CPI in each of the next four years (through year 5); $68,600 in year 6; and an increase of the greater of 3% or CPI in each of the next four years (through year 10) - Tenant's share of property taxes is to equal 21.0% of the spread of a given year's current property taxes over the base year (defined as the taxes paid from July 1, 2011 through June 30, 2012). Note, the property taxes referenced are of the "annex" building only, located at 14 West 29th Street. - Tenant responsible for utilities
Compiled by LW Hospitality Advisors®		

Le Labo - Lease		
Date Commenced	-	June 1, 2011
Landlord	-	1186 Broadway Tenant LLC
Tenant	-	Le Labo Holding LLC
Termination	-	5 Years, plus one 5-year extension option at tenant's discretion
Details	-	Base Rent is illustrated in the chart below. - The Fixed Rent is defined as $35,160 per year in year one; an increase of the greater of 3% or CPI in each of the next four years (through year 5); $68,600 in year 6; and an increase of the greater of 3% or CPI in each of the next four years (through year 10) - Tenant's share of property taxes is to equal 12.0% of the spread of a given year's current property taxes over the base year (defined as the taxes paid from July 1, 2016 through June 30, 2017). Note, the property taxes referenced are of the "annex" building only, located at 14 West 29th Street. - Tenant responsible for utilities
Compiled by LW Hospitality Advisors®		

Lease Year	Base Rent (Monthly)	Base Rent (Annual)
Lease Year 1	$6,000.00	$72,000.00
Lease Year 2	$6,180.00	$74,160.00
Lease Year 3	$6,365.40	$76,384.80
Lease Year 4	$6,556.36	$78,676.32
Lease Year 5	$6,753.05	$81,036.60
Renewal Term – Lease Year 1	$6,955.64	$83,467.68
Renewal Term – Lease Year 2	$7,164.31	$85,971.72
Renewal Term – Lease Year 3	$7,379.24	$88,550.88
Renewal Term – Lease Year 4	$7,600.62	$91,207.44
Renewal Term – Lease Year 5	$7,828.64	$93,943.68

Retail Rent includes the rental income associated with the leased retail spaces.

We have assumed that the retail and restaurant rental streams will increase with inflation, at 3.0%, annually going forward. This projection assumes revenue levels at each of the outlets will increase with inflation, which thereby impacts the percentage rent components accordingly. Please note that Black Seed Bagels outlet replaced the No. 7 Sub Shop in April 2018, and commenced rent payments in August 2018. We have assumed there will be no major changes in the number and quality of tenants going forward, other than the changes described above.

Revenue Analysis: Retail Rent						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	669	2.1%	2,363	6.96
2018	90.4%	289.02	642	2.1%	2,254	6.83
Trailing 12 Month	84.6%	270.34	956	3.4%	3,356	10.86
Projections						
DCF Year 1	86.0%	289.27	924	2.8%	3,232	10.27
DCF Stabilized	89.0%	350.68	1,001	2.5%	3,500	10.77
DCF Stabilized (Deflated)	89.0%	320.92	916	2.5%	3,203	9.86

Retail Rent Recovery/Credit includes the contributions towards property tax and utilities paid by the lease tenants.

Revenue Analysis: Retail Rent Recovery/Credit						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	318	1.0%	1,122	3.30
2018	90.4%	289.02	279	0.9%	978	2.96
Trailing 12 Month	84.6%	270.34	289	1.0%	1,016	3.29
Projections						
DCF Year 1	86.0%	289.27	283	0.9%	990	3.14
DCF Stabilized	89.0%	350.68	307	0.8%	1,073	3.30
DCF Stabilized (Deflated)	89.0%	320.92	281	0.8%	982	3.02

Restaurant Rent historically included the net rental income associated with the food and beverage lease agreement with Friedfield Breslin LLC for operation of The Breslin Bar & Dining Room, the John Dory Oyster Bar, the lobby bar, room service, and the meeting/event spaces.

The prior food & beverage lessee, Friedman Breslin LLC, was terminated at the beginning of 2018. One of the former partners of Friedman Breslin LLC, Chef April Bloomfield, was retained by ownership for oversight and consulting of the spaces (the Breslin and John Dory). Additionally, commencing in the Fall 2018, management of the two venues was formally added to the responsibilities of the hotel manager (Ace Hotel Group). The net income to the hotel remains the same, at 9.5% of revenues generated by the two outlets. We have assumed that this arrangement will remain in place going forward under similar terms.

Given the changes occurring at several of the outlets, we have projected the revenues attributable to each venue, as follows:

Historic Food & Beverage Revenues							Projection to Year One			Year Two		Year Three	
	2016	2017	2018	*YTD 11/2018*	*YTD 11/2019*	TTM 11/2019	Growth	*Disruption / Comments*	Revenue[1]	Growth	Revenue[2]	Growth	Revenue
The Breslin	$7,725,385	$7,326,791	$6,358,109	*$4,982,723*	*$4,952,226*	$7,296,294	**5.0%**	*Increase post transition*	$7,692,321	**3.0%**	$7,923,091	**3.0%**	$8,160,784
John Dory Oyster Bar	$4,204,490	$3,692,200	$3,451,421	*$2,867,832*	*$400,093*	$1,224,461	**-**	*Closed March 31, 2019*	$0	**N/A**	$0	**N/A**	$0
Lobby Bar	$2,615,822	$2,319,984	$2,090,377	*$1,655,477*	*$1,761,861*	$2,426,368	**10.0%**	*Increase post bar reno./expansion*	$2,690,288	**3.0%**	$2,770,996	**3.0%**	$2,854,126
Room Service	$399,192	$385,754	$341,029	*$286,034*	*$262,010*	$361,730	**5.0%**	*Increase due to occupancy growth*	$381,364	**3.0%**	$392,805	**3.0%**	$404,589
Events	$1,036,830	$1,217,896	$1,241,246	*$960,859*	*$781,694*	$1,038,731	**-3.0%**	*Loss of Dory as Venue & Conf. Room*	$1,005,015	**3.0%**	$936,157	**3.0%**	$964,241
							Total Revenues		**$11,768,988**		**$12,023,049**		**$12,383,740**
							Rent to Hotel @ 9.5%		**$1,118,054**		**$1,142,190**		**$1,176,455**

[1] Year One Revenue projected by applying the growth rate for 13 months to the Trailing 12 Month performance. The event venue revenues account for the loss of Dory (typically comprises 30% of event revenues) and the conference room

[2] Year Two Revenue projected by applying the growth rate

As mentioned previously, the John Dory closed in 2019 and has been replaced by a new lease to Milk Bar. Additionally, the former lobby bar was moved to the middle section of the lobby space, and a large, permanent bar was constructed in the rear of the lobby in 2019.

Furthermore, the legal issues in 2018 surrounding the prior lessee and operator of The Breslin appears to have negatively impacted revenues in 2018. Given the lessee has been terminated and the hotel is no longer associated with that operator, we anticipate revenues will return to historic levels achieved in 2016/2017. As such, we have projected continued increase in revenues in Year One for The Breslin.

A summary of the rent to the hotel is below:

Revenue Analysis: Restaurant Rent						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	1,382	4.4%	4,883	14.38
2018	90.4%	289.02	1,250	4.1%	4,384	13.28
Trailing 12 Month	84.6%	270.34	859	3.0%	3,014	9.75
Projections						
DCF Year 1	86.0%	289.27	1,118	3.4%	3,909	12.42
DCF Stabilized	89.0%	350.68	1,212	3.0%	4,237	13.04
DCF Stabilized (Deflated)	89.0%	320.92	1,109	3.0%	3,877	11.94

New Retail Rent - reflects the rental income from Milk Bar and the future tenant that will replace Opening Ceremony.

Per our understanding, Milk Bar commenced rental payments in January 2020. We have assumed the rent schedule as stipulated in the provided agreement. Please note there is a percentage rent component that we have not directly incorporated given the speculation required to do so.

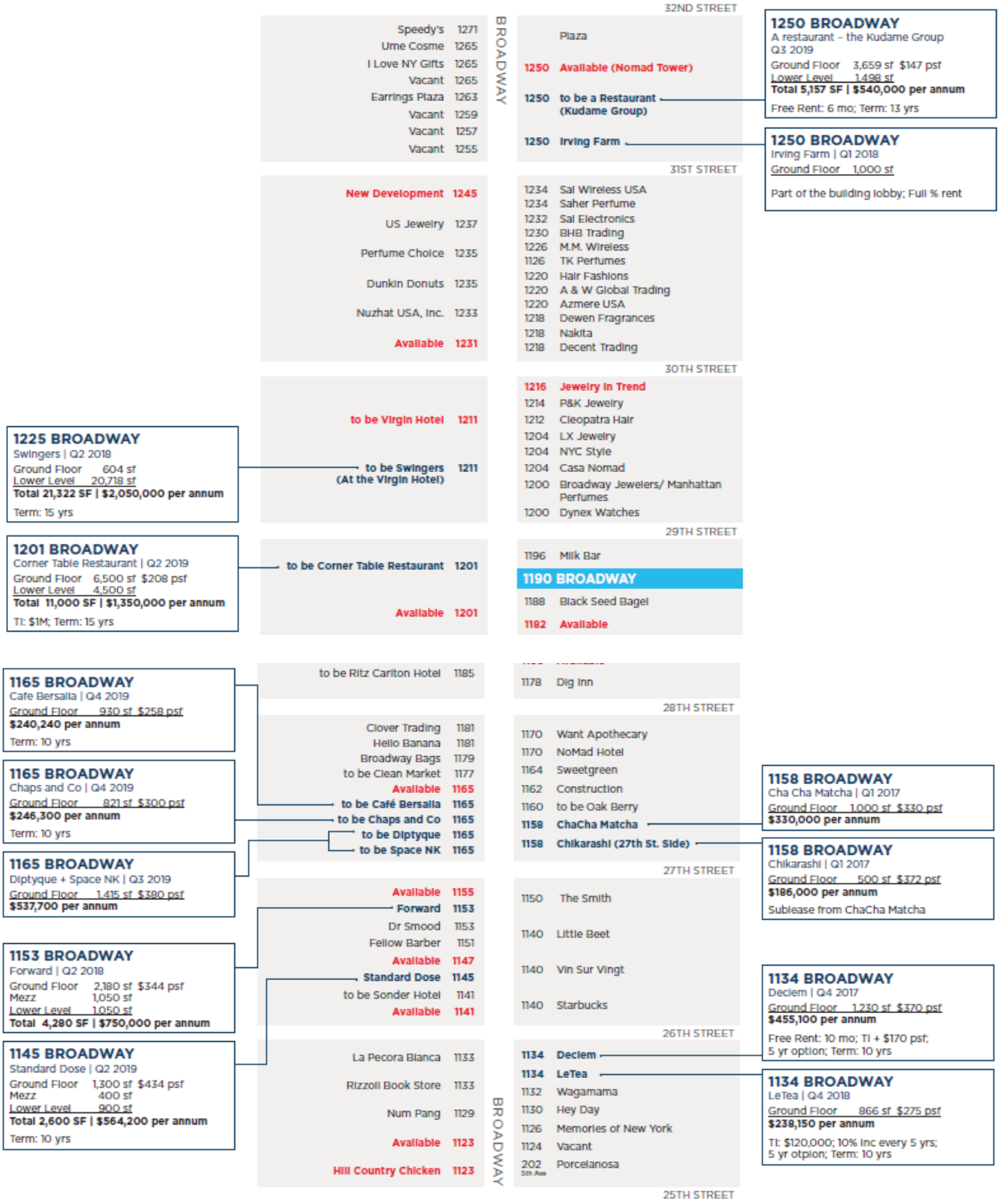
The Milk Bar Lease and corresponding rent schedules are shown below:

Milk Bar Lease	
Date Commenced	- January 10, 2019
Landlord	- 1186 Broadway Tenant LLC
Tenant	- MB Nomad, LLC
Termination	- 10 Years, plus one 5-year extension option at tenant's discretion
Details	- Base Rent is in the initial and renewal periods is illustrated in the charts below. - Percentage Rent to equal 8.0% of gross sales beyond the breakpoint ($6,000,000) - Rent payments to commence 210 days after the commencement date - Tenant responsible for utilities and 2.52% of property tax increases in any year over the tax year 2019/2020
Compiled by LW Hospitality Advisors®	

Lease Year	Base Rent Per Annum	Base Rent Per Month
1	$515,000.00	$42,916.67
2	$515,000.00	$42,916.67
3	$515,000.00	$42,916.67
4	$556,200.00	$46,350.00
5	$556,200.00	$46,350.00
6	$556,200.00	$46,350.00
7	$600,696.00	$50,058.00
8	$600,696.00	$50,058.00
9	$600,696.00	$50,058.00
10	$648,751.68	$54,062.64

Lease Year	Base Rent Per Annum	Base Rent Per Month
11	$648,751.68	$54,062.64
12	$648,751.68	$54,062.64
13	$700,651.81	$58,387.65
14	$700,651.81	$58,387.65
15	$700,651.81	$58,387.65

Per information provided by ownership, we have assumed Opening Ceremony will close in February 2020, and that a new tenant will be installed and commence rent payments on May 1, 2020. We have considered the following lease comparables in order to project market rent for the future tenant:



Based on the above comparables, we positioned the future rent as follows. The below chart additionally layers in the rent schedule for the Milk Bar space.

Projections - New Retail	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032
Milk Bar Lease	$515,000	$515,000	$515,000	**$556,200**	$556,200	$556,200	**$600,696**	$600,696	$600,696	**$648,752**	$648,752	$648,752	**$700,652**
Lease of Former Opening Ceremony Space													
Square Footage	1,029												
Rent Positioning PSF	**$300**												
Annual Rent	$308,700												
Less: 5.0% Loss Factor	*$293,265*												
Rent Projections (commencing 5/1/202	***$97,755***	**$302,063**	$311,125	$320,459	$330,072	$339,975	$350,174	$360,679	$371,499	$382,644	$394,124	$405,947	$418,126
Total Rent - New Retail Spaces	**$612,755**	**$817,063**	**$826,125**	**$876,659**	**$886,272**	**$896,175**	**$950,870**	**$961,375**	**$972,195**	**$1,031,396**	**$1,042,875**	**$1,054,699**	**$1,118,778**

The above projections are summarized in the chart below:

Revenue Analysis: New Retail Rent						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	0	0.0%	0	0.00
2018	90.4%	289.02	0	0.0%	0	0.00
Trailing 12 Month	84.6%	270.34	0	0.0%	0	0.00
Projections						
DCF Year 1	86.0%	289.27	613	1.9%	2,143	6.81
DCF Stabilized	89.0%	350.68	877	2.2%	3,065	9.44
DCF Stabilized (Deflated)	89.0%	320.92	802	2.2%	2,805	8.64

Amenity Fee – The subject recently implemented an Amenity Fee charged per room per night. The $35.00 fee is paid by guests in exchange for access to the fitness center, complimentary WiFi, and for a 10% discount at Stumptown Coffee, the Breslin, and Lobby Bar. Reportedly, the capture rate is 85%. We have projected this fee will remain in place going forward, as it has become common in many urban markets (including New York City) to charge such a fee. Our projections are shown below. Note we have projected the $35.00 fee will increase with inflation (at 3.0%) annually going forward, against a capture rate of 75%.

Amenity Fee Projections	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Occupied Rooms	90,021	91,863	92,907	92,907	93,162
Amenity Fee Rate	**$35.00**	$36.05	$37.13	$38.25	$39.39
Capture	**75%**				
Total Amenity Fees	**$2,363,061**	**$2,483,751**	**$2,587,335**	**$2,664,955**	**$2,752,424**

Revenue Analysis: Amenity Fee						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	0	0.0%	0	0.00
2018	90.4%	289.02	0	0.0%	0	0.00
Trailing 12 Month	84.6%	270.34	1,192	4.2%	4,184	13.53
Projections						
DCF Year 1	86.0%	289.27	2,363	7.2%	8,262	26.25
DCF Stabilized	89.0%	350.68	2,665	6.6%	9,318	28.68
DCF Stabilized (Deflated)	89.0%	320.92	2,439	6.6%	8,527	26.25

Departmental Expenses

Room Expenses include both payroll related and other departmental expenditures. Room department expenses consist of salaries and wages, uniforms, travel agent commissions, guest supplies, paper goods, cleaning, laundry, linen, and other items for maintaining guestrooms. We estimated expenses to stabilize at 30.8 percent of departmental revenues and $98.75 per occupied room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Rooms - Combined						
Subject	Occ %	ADR	$ 1000's	% of Rooms Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	9,605	35.2%	33,941	99.94
2018	90.4%	289.02	9,806	36.1%	34,406	104.23
Trailing 12 Month	84.6%	270.34	10,329	43.4%	36,243	117.25
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	25.6%	13,503	49.28
Middle Atlantic	77.4%	236.97	NA	31.2%	20,906	74.00
Urban	76.3%	212.98	NA	27.1%	16,109	57.77
Upper Upscale	75.1%	187.11	NA	25.7%	13,216	48.04
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	5,010	30.0%	27,832	90.11
Comp Hotel 2	76.5%	203.84	8,441	57.3%	32,593	116.77
Comp Hotel 3	76.0%	290.69	5,140	33.7%	27,194	98.03
Comp Hotel 4	84.5%	325.47	9,698	30.8%	30,884	100.09
Comp Hotel 5	95.1%	345.15	4,673	27.1%	32,453	93.50
Projections						
DCF Year 1	86.0%	289.27	9,009	34.6%	31,501	100.08
DCF Stabilized	89.0%	350.68	10,025	30.8%	35,052	107.90
DCF Stabilized (Deflated)	89.0%	320.92	9,174	30.8%	32,078	98.75

Food & Beverage Expenses reflect the cost of sales and other operational expenses relating to the minibars and function room setups. We estimated expenses to stabilize at 71.1 percent of departmental revenues and $5.27 per occupied room deflated to year one dollars. The projections are within the range of HOST averages, below the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Food & Beverage - Combined						
Subject	Occ %	ADR	$ 1000's	% of F&B Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	484	64.2%	1,709	5.03
2018	90.4%	289.02	499	68.4%	1,752	5.31
Trailing 12 Month	84.6%	270.34	472	71.6%	1,658	5.36
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	71.0%	15,974	58.29
Middle Atlantic	77.4%	236.97	NA	85.7%	19,939	70.57
Urban	76.3%	212.98	NA	74.5%	17,580	63.05
Upper Upscale	75.1%	187.11	NA	68.2%	16,298	59.24
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	5,199	86.7%	28,885	93.52
Comp Hotel 2	76.5%	203.84	0	0.0%	-	0.00
Comp Hotel 3	76.0%	290.69	5,094	130.4%	26,954	97.17
Comp Hotel 4	84.5%	325.47	24,821	79.4%	79,048	256.19
Comp Hotel 5	95.1%	345.15	9,104	89.2%	63,223	182.14
Projections						
DCF Year 1	86.0%	289.27	489	71.4%	1,710	5.43
DCF Stabilized	89.0%	350.68	535	71.1%	1,871	5.76
DCF Stabilized (Deflated)	89.0%	320.92	490	71.1%	1,712	5.27

Other Operated Departments Expenses include expenses associated with the sale of retail and sundry items. We estimated expenses to stabilize at 61.6 percent of departmental revenues and $1.88 per occupied room deflated to year one dollars. The projections are below the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Other Operated Departments - Combined						
Subject	Occ %	ADR	$ 1000's	% of Telecom Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	176	38.5%	623	1.84
2018	90.4%	289.02	157	47.0%	552	1.67
Trailing 12 Month	84.6%	270.34	167	62.5%	586	1.90
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	74.4%	2,263	8.26
Middle Atlantic	77.4%	236.97	NA	78.8%	1,162	4.11
Urban	76.3%	212.98	NA	64.6%	1,474	5.29
Upper Upscale	75.1%	187.11	NA	68.1%	1,846	6.71
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	163	106.6%	907	2.93
Comp Hotel 2	76.5%	203.84	427	145.7%	1,649	5.91
Comp Hotel 3	76.0%	290.69	130	86.7%	685	2.47
Comp Hotel 4	84.5%	325.47	0	0.0%	-	0.00
Comp Hotel 5	95.1%	345.15	64	35.7%	442	1.27
Projections						
DCF Year 1	86.0%	289.27	173	62.2%	606	1.93
DCF Stabilized	89.0%	350.68	191	61.6%	666	2.05
DCF Stabilized (Deflated)	89.0%	320.92	174	61.6%	610	1.88

Undistributed Operating Expenses

Administrative and General Expenses represent payroll costs and other expenses for management and administrative staff, including the manager's office, accounting office and personnel department, legal fees, credit card commissions, printing, stationery, and postage costs. We estimated expenses to stabilize at 8.9 percent of departmental revenues and $11,374 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Administrative & General - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	3,279	10.5%	11,586	34.12
2018	90.4%	289.02	3,227	10.5%	11,323	34.30
Trailing 12 Month	84.6%	270.34	3,652	12.8%	12,813	41.45
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	7.6%	6,122	22.34
Middle Atlantic	77.4%	236.97	NA	8.1%	7,610	26.94
Urban	76.3%	212.98	NA	7.8%	6,758	24.24
Upper Upscale	75.1%	187.11	NA	7.4%	5,931	21.56
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	1,659	7.3%	9,217	29.84
Comp Hotel 2	76.5%	203.84	1,887	12.6%	7,287	26.11
Comp Hotel 3	76.0%	290.69	2,197	11.3%	11,623	41.90
Comp Hotel 4	84.5%	325.47	2,628	4.2%	8,371	27.13
Comp Hotel 5	95.1%	345.15	2,439	8.8%	16,934	48.79
Projections						
DCF Year 1	86.0%	289.27	3,170	9.7%	11,083	35.21
DCF Stabilized	89.0%	350.68	3,555	8.9%	12,429	38.26
DCF Stabilized (Deflated)	89.0%	320.92	3,253	8.9%	11,374	35.01

Information and Telecommunications Systems include expenses associated with information system and technology costs, including internet, administrative-related telecom, and computer systems. We estimated expenses to stabilize at 1.3 percent of departmental revenues and $1,642 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and above the subject's historical figures.

Expense Analysis: Information & Telecommunications Systems						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	415	1.3%	1,466	4.32
2018	90.4%	289.02	430	1.4%	1,510	4.58
Trailing 12 Month	84.6%	270.34	440	1.5%	1,545	5.00
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	1.4%	1,108	4.04
Middle Atlantic	77.4%	236.97	NA	1.4%	1,348	4.77
Urban	76.3%	212.98	NA	1.4%	1,219	4.37
Upper Upscale	75.1%	187.11	NA	1.4%	1,146	4.17
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	0	0.0%	-	0.00
Comp Hotel 2	76.5%	203.84	414	2.8%	1,597	5.72
Comp Hotel 3	76.0%	290.69	336	1.7%	1,778	6.41
Comp Hotel 4	84.5%	325.47	310	0.5%	988	3.20
Comp Hotel 5	95.1%	345.15	331	1.2%	2,296	6.61
Projections						
DCF Year 1	86.0%	289.27	463	1.4%	1,618	5.14
DCF Stabilized	89.0%	350.68	513	1.3%	1,794	5.52
DCF Stabilized (Deflated)	89.0%	320.92	470	1.3%	1,642	5.06

Sales and Marketing Expenses includes sales and marketing payroll, direct advertising costs, cooperative advertising, dues and subscriptions, entertainment, trade shows and travel. We estimated expenses to stabilize at 6.3 percent of departmental revenues and $8,109 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and above the subject's historical figures.

Expense Analysis: Marketing - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	1,854	5.9%	6,550	19.29
2018	90.4%	289.02	1,960	6.4%	6,877	20.83
Trailing 12 Month	84.6%	270.34	2,103	7.4%	7,377	23.87
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	6.9%	5,565	20.31
Middle Atlantic	77.4%	236.97	NA	6.6%	6,195	21.93
Urban	76.3%	212.98	NA	6.9%	6,011	21.56
Upper Upscale	75.1%	187.11	NA	7.1%	5,681	20.65
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	725	3.2%	4,026	13.03
Comp Hotel 2	76.5%	203.84	1,739	11.6%	6,714	24.05
Comp Hotel 3	76.0%	290.69	1,329	6.9%	7,030	25.34
Comp Hotel 4	84.5%	325.47	2,263	3.6%	7,208	23.36
Comp Hotel 5	95.1%	345.15	1,490	5.4%	10,345	29.80
Projections						
DCF Year 1	86.0%	289.27	2,248	6.9%	7,859	24.97
DCF Stabilized	89.0%	350.68	2,534	6.3%	8,861	27.28
DCF Stabilized (Deflated)	89.0%	320.92	2,319	6.3%	8,109	24.96

Utility Costs includes the cost of fuel, electricity, chilled water and other utilities. We estimated expenses to stabilize at 2.4 percent of departmental revenues and $3,085 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Utility Costs						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	1,060	3.4%	3,745	11.03
2018	90.4%	289.02	859	2.8%	3,013	9.13
Trailing 12 Month	84.6%	270.34	837	2.9%	2,936	9.50
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	3.0%	2,400	8.76
Middle Atlantic	77.4%	236.97	NA	2.9%	2,699	9.55
Urban	76.3%	212.98	NA	2.9%	2,488	8.92
Upper Upscale	75.1%	187.11	NA	3.0%	2,433	8.84
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	382	1.7%	2,123	6.87
Comp Hotel 2	76.5%	203.84	937	6.2%	3,617	12.96
Comp Hotel 3	76.0%	290.69	422	2.2%	2,233	8.05
Comp Hotel 4	84.5%	325.47	1,292	2.0%	4,116	13.34
Comp Hotel 5	95.1%	345.15	585	2.1%	4,064	11.71
Projections						
DCF Year 1	86.0%	289.27	874	2.7%	3,057	9.71
DCF Stabilized	89.0%	350.68	964	2.4%	3,371	10.38
DCF Stabilized (Deflated)	89.0%	320.92	882	2.4%	3,085	9.50

Property Operation and Maintenance includes the payroll costs of the maintenance and engineering staffs, elevator maintenance, waste removal, supplies and maintenance contracts. We estimated expenses to stabilize at 4.7 percent of departmental revenues and $6,050 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Property Operation & Maintenance - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	1,557	5.0%	5,503	16.20
2018	90.4%	289.02	1,656	5.4%	5,811	17.61
Trailing 12 Month	84.6%	270.34	1,708	6.0%	5,994	19.39
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	4.1%	3,265	11.92
Middle Atlantic	77.4%	236.97	NA	4.3%	4,064	14.38
Urban	76.3%	212.98	NA	4.0%	3,451	12.38
Upper Upscale	75.1%	187.11	NA	4.1%	3,285	11.94
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	730	3.2%	4,054	13.12
Comp Hotel 2	76.5%	203.84	1,631	10.9%	6,296	22.56
Comp Hotel 3	76.0%	290.69	984	5.1%	5,204	18.76
Comp Hotel 4	84.5%	325.47	1,675	2.7%	5,334	17.29
Comp Hotel 5	95.1%	345.15	1,232	4.5%	8,556	24.65
Projections						
DCF Year 1	86.0%	289.27	1,668	5.1%	5,832	18.53
DCF Stabilized	89.0%	350.68	1,891	4.7%	6,611	20.35
DCF Stabilized (Deflated)	89.0%	320.92	1,730	4.7%	6,050	18.62

Fixed Expenses

Management Fees are calculated based on typical hotel management agreement percentages, when, combined with incentive management fees, range from 3.0 percent to 5.0 percent of gross rooms revenue. The projection of income and expense assumes competent management by a professional management company.

We have assumed the current management agreement with Ace Hotel New York LLC would be unencumbering upon sale of the property. As such, we have assumed the hotel would be operated by competent third party management going forward, at a market-oriented fee structure. We have assumed all-inclusive fees would be equal to 3.0% of gross revenues less the residential, retail, and restaurant lease income.

Synopsis of Management Agreement	
Effective Date	September 18, 2007; Amended January 1, 2011
Owner	1186 Broadway Tenant LLC
Manager	Ace Hotel New York LLC
Expiration	20 years plus two 5-year Renewal Terms, exercisable by Owner
Fees	Base Management Fee: 2% of Gross Revenues Incentive Fee: (A) 0.5% of Gross Revenues if RevPAR Hurdle met or exceeded + (B) 0.5% of Gross Revenues if RevPAR Hurdle met or exceeded by 5%.
Termination	Unencumbering upon a sale
Compiled by LW Hospitality Advisors®	

Expense Analysis: Management Fee						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	601	1.9%	2,124	6.25
2018	90.4%	289.02	596	1.9%	2,090	6.33
Trailing 12 Month	84.6%	270.34	550	1.9%	1,930	6.24
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	3.4%	2,712	9.90
Middle Atlantic	77.4%	236.97	NA	3.3%	3,049	10.79
Urban	76.3%	212.98	NA	3.4%	2,944	10.56
Upper Upscale	75.1%	187.11	NA	3.3%	2,627	9.55
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	668	2.9%	3,713	12.02
Comp Hotel 2	76.5%	203.84	506	3.4%	1,954	7.00
Comp Hotel 3	76.0%	290.69	1,019	5.3%	5,389	19.43
Comp Hotel 4	84.5%	325.47	1,052	1.7%	3,349	10.86
Comp Hotel 5	95.1%	345.15	892	3.2%	6,198	17.86
Projections						
DCF Year 1	86.0%	289.27	899	2.7%	3,145	9.99
DCF Stabilized	89.0%	350.68	1,116	2.8%	3,900	12.01
DCF Stabilized (Deflated)	89.0%	320.92	1,021	2.8%	3,569	10.99

Property Taxes have been calculated based on our analysis in the preceding Assessment and Real Estate Taxes section. Note, there are numerous lease tenants that are responsible for contributing towards the tax burden of the property. These contributions have been layered into the cash flow projections in the Revenue section, under the Rental Recoveries & Credits line item.

Expense Analysis: Property Taxes						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	2,203	7.0%	7,784	22.92
2018	90.4%	289.02	2,550	8.3%	8,946	27.10
Trailing 12 Month	84.6%	270.34	3,052	10.7%	10,708	34.64
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	3.4%	2,745	10.02
Middle Atlantic	77.4%	236.97	NA	6.3%	5,841	20.67
Urban	76.3%	212.98	NA	4.2%	3,644	13.07
Upper Upscale	75.1%	187.11	NA	3.3%	2,634	9.57
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	2,058	9.0%	11,436	37.02
Comp Hotel 2	76.5%	203.84	1,903	12.7%	7,346	26.32
Comp Hotel 3	76.0%	290.69	784	4.0%	4,148	14.95
Comp Hotel 4	84.5%	325.47	2,395	3.8%	7,626	24.72
Comp Hotel 5	95.1%	345.15	2,072	7.5%	14,390	41.46
Projections						
DCF Year 1	86.0%	289.27	3,641	11.1%	12,731	40.45
DCF Stabilized	89.0%	350.68	4,186	10.4%	14,637	45.06
DCF Stabilized (Deflated)	89.0%	320.92	3,831	10.4%	13,395	41.23

Insurance consists of the cost of insuring the property and its contents against damage or destruction. We estimated expenses to stabilize at 0.8 percent of departmental revenues and $1,082 per available room deflated to year one dollars. The projections are above the range of HOST averages, within the range of the comparable properties, and in line with the subject's historical figures.

Expense Analysis: Insurance						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	275	0.9%	971	2.86
2018	90.4%	289.02	273	0.9%	958	2.90
Trailing 12 Month	84.6%	270.34	301	1.1%	1,054	3.41
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	1.0%	790	2.88
Middle Atlantic	77.4%	236.97	NA	0.9%	801	2.83
Urban	76.3%	212.98	NA	0.9%	772	2.77
Upper Upscale	75.1%	187.11	NA	1.0%	781	2.84
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	145	0.6%	804	2.60
Comp Hotel 2	76.5%	203.84	209	1.4%	808	2.90
Comp Hotel 3	76.0%	290.69	274	1.4%	1,452	5.23
Comp Hotel 4	84.5%	325.47	306	0.5%	975	3.16
Comp Hotel 5	95.1%	345.15	392	1.4%	2,722	7.84
Projections						
DCF Year 1	86.0%	289.27	310	0.9%	1,085	3.45
DCF Stabilized	89.0%	350.68	338	0.8%	1,183	3.64
DCF Stabilized (Deflated)	89.0%	320.92	310	0.8%	1,082	3.33

Reserve for Replacement is typically 3.0 percent to 5.0 percent of total revenue to provide for the timely replacement of furniture, fixtures and equipment.

Per information provided by ownership, renovations will occur from 2020-2021, costing approximately $5,000,000, or $17,483 per key (based on 286 keys). The renovation is anticipated to be focused on improving the guestroom product, including bathrooms. We have assumed the capital will be spent equally during those two years. We have incorporated these deductions in the Reserves for Replacement line item of the cash flows.

We assume that the subject property will continue to need renovations throughout its life cycle. Considering the current condition of the subject property and typical industry standards, we have utilized 4.0 percent of total revenue for reserves for replacement in Year 3 and thereafter, throughout the projection period.

Expense Analysis: Reserve for Replacement						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	1,252	4.0%	4,424	13.03
2018	90.4%	289.02	1,234	4.0%	4,329	13.12
Trailing 12 Month	84.6%	270.34	1,138	4.0%	3,994	12.92
Industry Averages						
Chain-Affiliated	74.9%	192.14	NA	2.0%	1,608	5.87
Middle Atlantic	77.4%	236.97	NA	1.7%	1,558	5.51
Urban	76.3%	212.98	NA	1.8%	1,555	5.58
Upper Upscale	75.1%	187.11	NA	1.8%	1,471	5.35
Comparable Hotels						
Comp Hotel 1	84.6%	299.87	0	0.0%	-	0.00
Comp Hotel 2	76.5%	203.84	676	4.5%	2,611	9.36
Comp Hotel 3	76.0%	290.69	0	0.0%	-	0.00
Comp Hotel 4	84.5%	325.47	0	0.0%	-	0.00
Comp Hotel 5	95.1%	345.15	434	1.6%	3,015	8.69
Projections						
DCF Year 1	86.0%	289.27	2,500	7.6%	8,741	27.77
DCF Stabilized	89.0%	350.68	1,605	4.0%	5,611	17.27
DCF Stabilized (Deflated)	89.0%	320.92	1,469	4.0%	5,135	15.81

Lease Rent includes the building lease rent payable to the leased fee interest owner. The agreement is synopsized below:

Building Lease Agreement		
Date Commenced	-	January 1, 1984; Amended November 21, 2007
Landlord	-	The Lillian Goldman Family, LLC (85%) and Estate of Lillian Goldman (15%)
Tenant	-	1186 Broadway LLC (Formerly: Broadway Breslin Associates, LLC, preceded by Broadway Breslin Associates, Inc.)
Termination	-	Initial Term expires November 30, 2032, which has been extended to November 21, 2049 per an amendment dated November 21, 2007
Details	-	Demised Premises include 1186-1198 Broadway, and 14-26 West 29th Street, otherwise known as Block 830, Lots 53 and 54
	-	Rent Schedule is illustrated in the table below, along with terms for rent calculation in the renewal periods
	-	Net lease; tenant responsible for all expenses
Compiled by LW Hospitality Advisors®		

Commenced January 1, 1984 and terminates November 30, 2032.
$446,000 (payable $37,166.67 per month) from 1/1/84 to 5/31/87;
$500,000 (payable $41,666.66 per month) from 6/1/87 to 5/31/08;
$600,000 (payable $50,000.00 per month) from 6/1/08 to 5/31/29; and
$700,000 (payable $58,333.33 per month) from 6/1/29 to 11/30/32.
Greater of 8% of fair market value of the property as of 12/1/32 and $700,000, from 12/1/32 to 11/30/39.
Greater of 8% of fair market value of the property as of 12/1/39 and the annual rent paid previously, from 12/1/39 to 11/21/49.

The subject property represents a leasehold interest per a building lease agreement between the landlord (The Lillian Goldman Family, LLC (85%) and Estate of Lillian Goldman (15%)) and the tenant 1186 Broadway LLC (Formerly: Broadway Breslin Associates, LLC, preceded by Broadway Breslin Associates, Inc.). The agreement originally commenced January 1, 1984 with an expiration of November 30, 2032, and was amended November 21, 2007. The amendment incorporated execution of an extension term, thereby extending the term of the agreement through November 21, 2049. The agreement stipulates a fixed rent payment schedule through November 30, 2032, after which point the rent is subject to a fair market value reset commencing December 1, 2032. The reset rent is stipulated to equal 8.0% of the fair market value of the property, defined as the price at which the landlord's fee interest in the property would be sold for cash by a willing seller to a willing buyer. The "property" includes all buildings and improvements inclusive of FF&E. Accordingly, such a reset can potentially lead to a considerable increase in rent, particularly for a property such as the subject which has been restored by the tenant, and is located in a submarket that has dramatically improved over the past decade.

Per conversations with ownership, the rent will equate to approximately $5,500,000 upon its reset in 2032. We have assumed this proposed rent to be achievable, though the rent could possibly be calculated to a reset amount significantly higher than the figure provided, depending upon interpretation of the lease reset provision. If the rent were to be reset to the maximum amount possible per the agreement, it may yield a financially infeasible rent amount. We believe that most landlords would likely opt to renegotiate the rent reset, rather than all but ensure a tenant's default (in which case, they would earn no rent). Regarding the subject, the tenant is legally permitted to continue to occupy the building(s) up to the rent reset date, and beyond. As such, if the tenant is aware an unfeasible rent payment will force them from the building in the near future, they would likely be discouraged from maintaining the quality and condition of the building, which we believe is a scenario a landlord would seek to avoid. Furthermore, according to ownership, if the tenancy were to change hands, various use issues would arise such with the City and the Landmarks Commission, which would likely make it difficult for the landlord to rent the building at the "maximum" rent possible. These factors considered, per discussions with ownership (leaseholder) we have assumed ownership will

successfully negotiate for a rent reset to $5,500,000 as of December 1, 2032. We reserve the right to amend our analysis and conclusions herein, as any increase in the rent would have a direct negative impact on value of the property.

Expense Analysis: Lease Rent						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	92.4%	283.97	525	1.7%	1,857	5.47
2018	90.4%	289.02	0	0.0%	-	0.00
Trailing 12 Month	84.6%	270.34	522	1.8%	1,833	5.93
Projections						
DCF Year 1	86.0%	289.27	600	1.8%	2,098	6.67
DCF Stabilized	89.0%	350.68	600	1.5%	2,098	6.46
DCF Stabilized (Deflated)	89.0%	320.92	549	1.5%	1,920	5.91

Ten-Year Projection of Income and Expense

The following 10-year projection of income and expense reflects the subject property's anticipated performance on a calendar basis beginning December 31, 2019. Stabilization is anticipated to occur in year four of the projection period. The statements are expressed in inflated dollars for each fiscal year.

Ace Hotel New York
10 Year Summary

Projection Year	1	2	3	4	5	6	7	8	9	10	11
Fiscal Year Ending December 31:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Days in Year	366	365	365	365	366	365	365	365	366	365	365
Number of Rooms	286	286	286	286	286	286	286	286	286	286	286
Rooms Available	104,676	104,390	104,390	104,390	104,676	104,390	104,390	104,390	104,676	104,390	104,390
Occupied Rooms	90,021	91,863	92,907	92,907	93,162	92,907	92,907	92,907	93,162	92,907	92,907
Occupancy	86.00%	88.00%	89.00%	89.00%	89.00%	89.00%	89.00%	89.00%	89.00%	89.00%	89.00%
Average Rate	289.27	309.52	340.47	350.68	361.20	372.04	383.20	394.70	406.54	418.73	431.29
RevPAR	248.77	272.37	303.02	312.11	321.47	331.11	341.05	351.28	361.82	372.67	383.85

	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %
REVENUE																								
Rooms	26,040	79.6%	28,433	80.0%	31,632	81.2%	32,581	81.2%	33,650	81.3%	34,565	81.3%	35,602	81.3%	36,670	81.4%	37,874	81.4%	38,903	81.4%	40,070	81.4%		
Food & Beverage	685	2.1%	708	2.0%	731	1.9%	753	1.9%	778	1.9%	799	1.9%	823	1.9%	847	1.9%	875	1.9%	899	1.9%	926	1.9%		
Other Operated Departments	279	0.9%	290	0.8%	300	0.8%	309	0.8%	319	0.8%	328	0.8%	338	0.8%	348	0.8%	359	0.8%	369	0.8%	380	0.8%		
Residential Rent	414	1.3%	414	1.2%	414	1.1%	414	1.0%	414	1.0%	414	1.0%	414	0.9%	414	0.9%	414	0.9%	414	0.9%	414	0.8%		
Retail Rent	924	2.8%	943	2.7%	972	2.5%	1,001	2.5%	1,034	2.5%	1,062	2.5%	1,094	2.5%	1,127	2.5%	1,164	2.5%	1,195	2.5%	1,231	2.5%		
Retail Rent Recovery/Credit	283	0.9%	289	0.8%	298	0.8%	307	0.8%	317	0.8%	326	0.8%	335	0.8%	345	0.8%	357	0.8%	367	0.8%	377	0.8%		
Restaurant Rent	1,118	3.4%	1,142	3.2%	1,176	3.0%	1,212	3.0%	1,248	3.0%	1,286	3.0%	1,324	3.0%	1,364	3.0%	1,405	3.0%	1,447	3.0%	1,490	3.0%		
New Retail Rent	613	1.9%	817	2.3%	826	2.1%	877	2.2%	886	2.1%	896	2.1%	951	2.2%	961	2.1%	972	2.1%	1,031	2.2%	1,043	2.1%		
Amenity Fee	2,363	7.2%	2,484	7.0%	2,587	6.6%	2,665	6.6%	2,752	6.6%	2,827	6.7%	2,912	6.6%	2,999	6.7%	3,098	6.7%	3,182	6.7%	3,278	6.7%		
Total Revenue	**32,720**	**100.0%**	**35,521**	**100.0%**	**38,937**	**100.0%**	**40,119**	**100.0%**	**41,399**	**100.0%**	**42,503**	**100.0%**	**43,793**	**100.0%**	**45,077**	**100.0%**	**46,518**	**100.0%**	**47,808**	**100.0%**	**49,210**	**100.0%**		
DEPARTMENTAL EXPENSES																								
Rooms - Combined	9,009	34.6%	9,384	33.0%	9,733	30.8%	10,025	30.8%	10,354	30.8%	10,635	30.8%	10,954	30.8%	11,283	30.8%	11,653	30.8%	11,970	30.8%	12,329	30.8%		
Food & Beverage - Combined	489	71.4%	504	71.2%	519	71.1%	535	71.1%	553	71.1%	568	71.1%	585	71.1%	602	71.1%	622	71.1%	639	71.1%	658	71.1%		
Other Operated Departments - Combined	173	62.2%	179	61.8%	185	61.6%	191	61.6%	197	61.6%	202	61.6%	208	61.6%	214	61.6%	222	61.6%	228	61.6%	234	61.6%		
Total Departmental Expenses	9,672	29.6%	10,067	28.3%	10,437	26.8%	10,750	26.8%	11,103	26.8%	11,405	26.8%	11,747	26.8%	12,100	26.8%	12,497	26.9%	12,837	26.9%	13,222	26.9%		
Total Departmental Profit	**23,048**	**70.4%**	**25,454**	**71.7%**	**28,500**	**73.2%**	**29,368**	**73.2%**	**30,296**	**73.2%**	**31,098**	**73.2%**	**32,046**	**73.2%**	**32,977**	**73.2%**	**34,021**	**73.1%**	**34,971**	**73.1%**	**35,989**	**73.1%**		
UNDISTRIBUTED OPERATING EXPENSES																								
Administrative & General - Combined	3,170	9.7%	3,290	9.3%	3,450	8.9%	3,555	8.9%	3,671	8.9%	3,771	8.9%	3,886	8.9%	4,002	8.9%	4,133	8.9%	4,247	8.9%	4,374	8.9%		
Information & Telecommunications Systems	463	1.4%	478	1.3%	498	1.3%	513	1.3%	530	1.3%	544	1.3%	561	1.3%	578	1.3%	597	1.3%	613	1.3%	631	1.3%		
Marketing - Combined	2,248	6.9%	2,337	6.6%	2,460	6.3%	2,534	6.3%	2,617	6.3%	2,689	6.3%	2,770	6.3%	2,854	6.3%	2,947	6.3%	3,028	6.3%	3,119	6.3%		
Franchise Fees	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Utility Costs	874	2.7%	902	2.5%	936	2.4%	964	2.4%	996	2.4%	1,023	2.4%	1,054	2.4%	1,085	2.4%	1,121	2.4%	1,151	2.4%	1,186	2.4%		
Property Operation & Maintenance - Combined	1,668	5.1%	1,738	4.9%	1,835	4.7%	1,891	4.7%	1,953	4.7%	2,006	4.7%	2,067	4.7%	2,129	4.7%	2,199	4.7%	2,260	4.7%	2,327	4.7%		
Total Undistributed Operating Expenses	8,422	25.7%	8,746	24.6%	9,179	23.6%	9,457	23.6%	9,767	23.6%	10,033	23.6%	10,338	23.6%	10,648	23.6%	10,997	23.6%	11,300	23.6%	11,639	23.7%		
GROSS OPERATING PROFIT	**14,626**	**44.7%**	**16,708**	**47.0%**	**19,321**	**49.6%**	**19,911**	**49.6%**	**20,529**	**49.6%**	**21,064**	**49.6%**	**21,708**	**49.6%**	**22,329**	**49.5%**	**23,024**	**49.5%**	**23,672**	**49.5%**	**24,350**	**49.5%**		
Management Fee	899	2.7%	982	2.8%	1,082	2.8%	1,116	2.8%	1,152	2.8%	1,182	2.8%	1,219	2.8%	1,255	2.8%	1,295	2.8%	1,332	2.8%	1,371	2.8%		
INCOME BEFORE FIXED CHARGES	**13,726**	**42.0%**	**15,726**	**44.3%**	**18,239**	**46.8%**	**18,796**	**46.8%**	**19,377**	**46.8%**	**19,882**	**46.8%**	**20,490**	**46.8%**	**21,074**	**46.8%**	**21,729**	**46.7%**	**22,340**	**46.7%**	**22,979**	**46.7%**		
Selected Fixed Charges																								
Property Taxes	3,641	11.1%	3,761	10.6%	3,936	10.1%	4,186	10.4%	4,444	10.7%	4,660	11.0%	4,829	11.0%	4,973	11.0%	5,122	11.0%	5,276	11.0%	5,434	11.0%		
Insurance	310	0.9%	319	0.9%	328	0.8%	338	0.8%	349	0.8%	359	0.8%	370	0.8%	381	0.8%	393	0.8%	404	0.8%	416	0.8%		
Reserve for Replacement	2,500	7.6%	2,500	7.0%	1,557	4.0%	1,605	4.0%	1,656	4.0%	1,700	4.0%	1,752	4.0%	1,803	4.0%	1,861	4.0%	1,912	4.0%	1,968	4.0%		
Equipment Rental	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Non-Operating / Non-Recurring	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
Lease Rent	600	1.8%	600	1.7%	600	1.5%	600	1.5%	600	1.4%	600	1.4%	600	1.4%	600	1.3%	600	1.3%	658	1.4%	700	1.4%		
Net Operating Income	**6,675**	**20.4%**	**8,546**	**24.1%**	**11,817**	**30.3%**	**12,066**	**30.1%**	**12,328**	**29.8%**	**12,563**	**29.6%**	**12,939**	**29.5%**	**13,317**	**29.5%**	**13,753**	**29.6%**	**14,090**	**29.5%**	**14,461**	**29.4%**		

Detailed Projections of Income and Expense

Ace Hotel New York
Cash Flow Detail

	Trailing 12 Month Actual				DCF Year 1				DCF Year 2				DCF Year 3				Stabilized DCF Year 4			
Projected Fiscal Year Ending December 31:	2019	(YE December 31)			2020				2021				2022				2023			
Number of Days in Year:	365				366				365				365				365			
Number of Rooms:	285				286				286				286				286			
Annual Available Rooms:	104,117				104,676				104,390				104,390				104,390			
Occupied Rooms:	88,099				90,021				91,863				92,907				92,907			
Annual Occupancy:	84.62%				86.00%				88.00%				89.00%				89.00%			
Average Rate:	270.34				289.27				309.52				340.47				350.68			
RevPAR:	228.95				248.77				272.37				303.02				312.11			
Revenue	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**
Rooms	23,817,005	83.7%	83,568	270.34	26,040,272	79.6%	91,050	289.27	28,433,167	80.0%	99,417	309.52	31,631,904	81.2%	110,601	340.47	32,580,857	81.2%	113,919	350.68
Food & Beverage	659,938	2.3%	2,316	7.49	684,841	2.1%	2,395	7.61	707,607	2.0%	2,474	7.70	730,971	1.9%	2,556	7.87	752,900	1.9%	2,633	8.10
Other Operated Departments	267,405	0.9%	938	3.04	278,809	0.9%	975	3.10	289,751	0.8%	1,013	3.15	300,174	0.8%	1,050	3.23	309,179	0.8%	1,081	3.33
Residential Rent	414,456	1.5%	1,454	4.70	414,456	1.3%	1,449	4.60	414,456	1.2%	1,449	4.51	414,456	1.1%	1,449	4.46	414,456	1.0%	1,449	4.46
Retail Rent	956,444	3.4%	3,356	10.86	924,279	2.8%	3,232	10.27	943,471	2.7%	3,299	10.27	971,776	2.5%	3,398	10.46	1,000,929	2.5%	3,500	10.77
Retail Rent Recovery/Credit	289,429	1.0%	1,016	3.29	283,103	0.9%	990	3.14	289,321	0.8%	1,012	3.15	298,001	0.8%	1,042	3.21	306,941	0.8%	1,073	3.30
Restaurant Rent	858,904	3.0%	3,014	9.75	1,118,054	3.4%	3,909	12.42	1,142,190	3.2%	3,994	12.43	1,176,455	3.0%	4,113	12.66	1,211,749	3.0%	4,237	13.04
New Retail Rent	-	0.0%	-	0.00	612,755	1.9%	2,143	6.81	817,063	2.3%	2,857	8.89	826,125	2.1%	2,889	8.89	876,659	2.2%	3,065	9.44
Amenity Fee	1,192,330	4.2%	4,184	13.53	2,363,061	7.2%	8,262	26.25	2,483,751	7.0%	8,684	27.04	2,587,335	6.6%	9,047	27.85	2,664,955	6.6%	9,318	28.68
Total Revenue	**28,455,911**	**100.0%**	**99,845**	**323.00**	**32,719,629**	**100.0%**	**114,404**	**363.47**	**35,520,777**	**100.0%**	**124,199**	**386.67**	**38,937,197**	**100.0%**	**136,144**	**419.10**	**40,118,625**	**100.0%**	**140,275**	**431.81**
Departmental Expenses																				
Rooms - Combined	10,329,301	43.4%	36,243	117.25	9,009,361	34.6%	31,501	100.08	9,384,389	33.0%	32,813	102.16	9,732,923	30.8%	34,031	104.76	10,024,910	30.8%	35,052	107.90
Food & Beverage - Combined	472,462	71.6%	1,658	5.36	489,014	71.4%	1,710	5.43	503,644	71.2%	1,761	5.48	519,442	71.1%	1,816	5.59	535,025	71.1%	1,871	5.76
Other Operated Departments - Combined	167,031	62.5%	586	1.90	173,334	62.2%	606	1.93	179,096	61.8%	626	1.95	185,010	61.6%	647	1.99	190,560	61.6%	666	2.05
Total Departmental Expenses	**10,968,794**	**38.5%**	**38,487**	**124.51**	**9,671,709**	**29.6%**	**33,817**	**107.44**	**10,067,129**	**28.3%**	**35,200**	**109.59**	**10,437,374**	**26.8%**	**36,494**	**112.34**	**10,750,495**	**26.8%**	**37,589**	**115.71**
Departmental Income (Loss)	**17,487,117**	**61.5%**	**61,358**	**198.49**	**23,047,921**	**70.4%**	**80,587**	**256.03**	**25,453,647**	**71.7%**	**88,999**	**277.08**	**28,499,822**	**73.2%**	**99,650**	**306.76**	**29,368,129**	**73.2%**	**102,686**	**316.10**
Undistributed Operating Expenses																				
Administrative & General - Combined	3,651,665	12.8%	12,813	41.45	3,169,706	9.7%	11,083	35.21	3,289,815	9.3%	11,503	35.81	3,450,003	8.9%	12,063	37.13	3,554,641	8.9%	12,429	38.26
Information & Telecommunications Systems	440,356	1.5%	1,545	5.00	462,777	1.4%	1,618	5.14	478,365	1.3%	1,673	5.21	498,164	1.3%	1,742	5.36	513,210	1.3%	1,794	5.52
Marketing - Combined	2,102,541	7.4%	7,377	23.87	2,247,632	6.9%	7,859	24.97	2,337,452	6.6%	8,173	25.44	2,459,606	6.3%	8,600	26.47	2,534,357	6.3%	8,861	27.28
Utility Costs	836,774	2.9%	2,936	9.50	874,332	2.7%	3,057	9.71	901,911	2.5%	3,154	9.82	935,870	2.4%	3,272	10.07	964,074	2.4%	3,371	10.38
Property Operation & Maintenance - Combined	1,708,246	6.0%	5,994	19.39	1,667,918	5.1%	5,832	18.53	1,737,983	4.9%	6,077	18.92	1,834,915	4.7%	6,416	19.75	1,890,792	4.7%	6,611	20.35
Total Undistributed Operating Expenses	**8,739,582**	**30.7%**	**30,665**	**99.20**	**8,422,364**	**25.7%**	**29,449**	**93.56**	**8,745,525**	**24.6%**	**30,579**	**95.20**	**9,178,558**	**23.6%**	**32,093**	**98.79**	**9,457,075**	**23.6%**	**33,067**	**101.79**
Income After Undistributed Operating Expenses	**8,747,535**	**30.7%**	**30,693**	**99.29**	**14,625,556**	**44.7%**	**51,138**	**162.47**	**16,708,122**	**47.0%**	**58,420**	**181.88**	**19,321,265**	**49.6%**	**67,557**	**207.96**	**19,911,055**	**49.6%**	**69,619**	**214.31**
Fixed Charges																				
Management Fee	550,018	1.9%	1,930	6.24	899,392	2.7%	3,145	9.99	981,940	2.8%	3,433	10.69	1,082,295	2.8%	3,784	11.65	1,115,537	2.8%	3,900	12.01
Property Taxes	3,051,792	10.7%	10,708	34.64	3,641,083	11.1%	12,731	40.45	3,761,202	10.6%	13,151	40.94	3,935,852	10.1%	13,762	42.36	4,186,084	10.4%	14,637	45.06
Insurance	300,529	1.1%	1,054	3.41	310,393	0.9%	1,085	3.45	318,831	0.9%	1,115	3.47	328,396	0.8%	1,148	3.53	338,248	0.8%	1,183	3.64
Reserve for Replacement	1,138,236	4.0%	3,994	12.92	2,500,000	7.6%	8,741	27.77	2,500,000	7.0%	8,741	27.21	1,557,488	4.0%	5,446	16.76	1,604,745	4.0%	5,611	17.27
Equipment Rental	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00
Non-Operating / Non-Recurring	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00
Total Fixed Charges	**5,040,576**	**17.7%**	**17,686**	**57.21**	**7,350,868**	**22.5%**	**25,702**	**81.66**	**7,561,974**	**21.3%**	**26,440**	**82.32**	**6,904,032**	**17.7%**	**24,140**	**74.31**	**7,244,613**	**18.1%**	**25,331**	**77.98**
Lease Rent	522,451	1.8%	1,833	5.93	600,000	1.8%	2,098	6.67	600,000	1.7%	2,098	6.53	600,000	1.5%	2,098	6.46	600,000	1.5%	2,098	6.46
Hotel Cash Flow	**3,184,508**	**11.2%**	**11,174**	**36.15**	**6,674,688**	**20.4%**	**23,338**	**74.15**	**8,546,148**	**24.1%**	**29,882**	**93.03**	**11,817,233**	**30.3%**	**41,319**	**127.19**	**12,066,441**	**30.1%**	**42,190**	**129.88**

Capitalization and Discount Rates

Capitalization is defined as the process of converting a series of anticipated future periodic installments of net income into present value. The anticipated net income stream is converted into a value opinion by a rate that attracts capital to purchase investments with similar characteristics, such as risk, terms and liquidity. The capitalization process takes into consideration the quantity, quality and durability of the income stream in determining which rates are appropriate for valuing the subject hotel.

Discounted cash flow analysis can be used to develop an opinion of present value of an income stream. Periodic cash flows and the projected reversion amount at the end of a holding period are discounted at an appropriate rate. Our analysis refers to an all-cash purchase. The following text details our analysis.

The discount rate is the rate of return which equals the sum of the real return anticipated in the investment plus a change in value and any risk premiums associated with the specific investment when compared to alternative investments. It is the average annual rate of return necessary to attract capital based upon the overall investment characteristics.

The discount rate selection requires the appraiser to interpret the attitudes and expectations of market participants. Discount rates are partly a function of perceived risks. Risk is a function of general economic conditions and characteristics of the investment. The critical elements of an investment include the quantity and certainty of gross income, operating expenses, and resultant net income over some future time period. Value is a reflection of future income expectations and such elements are risky.

A determination of the proper discount and capitalization rates for the subject involved speaking with investors and brokers of hotel properties throughout the country, discussing investment parameters with other hospitality industry experts, and considering the results of several published investment surveys.

The investor surveys summarized in the following table have been used in our selection of the appropriate discount and terminal capitalization rates for the subject hotel. It should be noted that the surveys often lag the market and are not always a true representation of current return requirements. This is especially true in the current landscape as there are very few recent transactions to gauge. While the data is not perfect, it is generally relied upon by investors in the market and will be used in this analysis.

Hotel Investor Survey

	Pre-Tax Yield (IRR)		*Going-In Cap Rate*		*Terminal Cap Rate*	
Type	*Range*	*Average*	*Range*	*Average*	*Range*	*Average*
RERC						
First-Tier Properties*						
West	8.00% - 10.00%	9.10%	6.00% - 8.50%	7.20%	6.80% - 8.50%	7.90%
Midwest	5.50% - 10.80%	8.90%	6.50% - 8.00%	7.50%	7.50% - 9.00%	8.10%
South	7.80% - 10.50%	9.00%	5.50% - 8.50%	7.40%	6.00% - 9.50%	8.00%
East	9.00% - 10.00%	9.70%	6.30% - 9.50%	8.30%	6.40% - 10.00%	8.60%
Second-Tier Properties**						
West	8.50% - 10.50%	9.60%	7.00% 8.50%	8.00%	7.50% 9.00%	8.60%
Midwest	8.50% - 11.10%	10.00%	6.50% 9.50%	8.30%	7.00% 10.90%	9.00%
South	8.00% - 13.00%	9.70%	6.00% 10.00%	8.20%	6.50% 12.00%	9.10%
East	9.50% - 11.50%	10.30%	5.40% 10.50%	8.60%	9.00% 10.50%	9.50%
Third-Tier Properties***						
West	9.50% - 12.00%	10.30%	7.50% - 10.00%	8.60%	8.50% - 10.50%	9.30%
Midwest	8.50% - 12.50%	10.60%	7.00% - 10.80%	9.20%	8.50% - 11.30%	10.10%
South	8.50% - 12.00%	10.20%	8.00% - 10.00%	9.10%	8.50% - 11.00%	9.60%
East	7.60% - 12.00%	10.60%	8.50% - 10.50%	9.50%	6.90% - 11.00%	9.80%

** First-tier investment properties are defined as new or newer quality construction in prime to good locations*

*** Second-tier investment properties are defined as aging, former first-tier properties, in good to average locations*

****Third-tier investment properties are defined as older properties with functional inadequacies and/or in marginal locations*

Source: Situs RERC Investment Survey - Q4 2018

Hotel Investor Survey									
	Discount Rate			Overall Cap Rate			Residual Cap Rate		
Type	Range		Average	Range		Average	Range		Average
PwC Hotels									
Luxury/Upper-Upscale									
Q3 2019	6.25%	13.00%	9.55%	4.00%	9.50%	7.05%	5.50%	9.50%	7.33%
Q12019	6.25%	13.00%	9.55%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q3 2018	6.25%	12.00%	9.45%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q1 2018	6.50%	12.00%	9.50%	4.00%	9.00%	7.05%	5.50%	9.50%	7.23%
Q3 2017	6.50%	12.00%	9.53%	4.00%	9.00%	7.03%	5.00%	9.50%	7.18%
Full Service									
Q3 2019	8.00%	11.00%	9.90%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q12019	8.00%	11.00%	9.70%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q3 2018	8.00%	13.00%	10.20%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q1 2018	8.00%	13.50%	10.33%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q3 2017	8.00%	13.00%	10.19%	6.00%	10.00%	7.85%	7.00%	10.00%	8.44%
Limited Service*									
Q3 2019	8.00%	14.00%	10.55%	7.50%	12.00%	9.15%	7.75%	12.00%	9.48%
Q12019	8.50%	14.00%	10.80%	7.50%	11.00%	9.05%	7.75%	12.00%	9.53%
Q3 2018	8.50%	13.00%	10.50%	7.50%	11.00%	9.15%	7.75%	11.00%	9.38%
Q1 2018	8.50%	13.00%	11.00%	7.50%	11.00%	9.15%	7.75%	11.00%	9.78%
Q3 2017	8.50%	13.00%	11.00%	7.50%	11.00%	9.08%	7.75%	11.00%	9.83%
Select Service**									
Q3 2019	8.00%	12.00%	10.30%	6.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q12019	8.00%	12.00%	10.10%	7.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q3 2018	8.00%	11.00%	9.55%	7.00%	10.00%	8.50%	7.00%	10.00%	8.75%
Q1 2018	7.50%	12.00%	9.90%	6.50%	10.00%	8.56%	7.00%	10.75%	8.93%
Q3 2017	8.00%	12.00%	10.20%	6.50%	10.00%	8.70%	7.00%	10.75%	9.08%
** Limited Service includes midscale and economy lodging with rooms only*									
*** Select Service includes upscale and upper-midscale lodging with rooms only.*									
Source: PwC Real estate Investor Survey - Q3 2019									

Our analysis of applicable terminal capitalization and discount rates for the subject property specifically considered the building type and condition, the current local hotel market conditions, estimated future trends in the local and national market for transient accommodations, and current investor considerations and required returns on investment for similar investments in full-service hotels where the fee simple interest is being conveyed. **Note, the subject represents the leasehold interest in the property.**

Several factors have been considered in the overall discount rate and reversionary rate selection.

Factors suggesting a lower rate of risk include:

- The subject is well located with very good access from local roadways and the public transit system well as proximate to numerous retail, restaurants, and popular New York City tourism destinations;
- The subject's location is near several headquarters and large regional offices in Midtown Manhattan, and is situated in the heart of the rapidly developing NoMad neighborhood;
- The food and beverage program and leased retail spaces feature quality tenants that are accretive to the overall appeal of the hotel, and also provide rental income;
- The subject property is considered to be unencumbered by brand and management upon a sale;
- Tourism in New York City has been strong over the past several years and is expected to continue to stay strong;

- Despite recent operating metrics, the overall New York City market continues to be strong and exhibits a popular market for potential investors, evident by the increasing investment and transaction activity;

- In the first 13 years of our projection period, through November 30, 2032, the building lease rent payment is set at a fixed rate that is below market.

Factors suggesting a higher rate of risk include:

- The leasehold nature of the subject property, per an agreement expiring November 21, 2049. Also note we have considered elevated risk in years 14 through 31 of our projection period, from December 1, 2032 through November 21, 2049, given the building lease payment is anticipated to increase significantly due to the stipulation of a fair market value reset. This is explained in detail in our Extraordinary Assumptions.

- The subject property is a mostly unionized operation, with the exception of the leased food and beverage and retail;

- There is risk associated with the execution of the impending renovations in 2020 and 2021, and subsequent ramp up in operations thereafter;

- There is risk associated with the significant amount of new supply proposed for Manhattan, which has already affected market-wide average daily rate levels and could continue to affect the performance of the subject property and overall market in the near term;

- Any unforeseen events (i.e. supply additions and weak economy) could alter our estimated RevPAR and NOI moving forward.

In the PwC Hotel Investor Survey presented previously, discount rates for luxury/upper-upscale hotels ranged from 6.50 percent to 13.00 percent with an average of 9.55 percent. Based on the aforementioned factors, **we believe a discount rate of 7.0 percent is appropriate for the first 13 years during which time the building lease payments are fixed at below-market levels, and therefore the risk is perceived as more similar to that of a fee simple asset with strong in-place cash flow. We have selected a discount rate of 9.0 percent in the years remaining thereafter through November 2049, during which time the building lease payments will be at elevated rates subsequent to stipulated fair market value resets**, and therefore the risk is greater in terms of of attaining the projected net cash flow.

Discounted Cash Flow – As Is as of December 31, 2019

Ace Hotel New York
DCF Analysis

Assumptions	
Discount Rate	See Below
Residual Cap Rate	N/A
Cost of Sale	N/A
Hold Period (Years)	31
Reversion Year +	N/A

Reversion Calculation (10Y)	
Stabilized Year CF:	N/A
Gross Reversion:	N/A
Cost of Sale:	N/A
Net Reversion:	N/A
Stabilized Year:	4

Returns (10Y)	
PV of Cash:	137,845,115
PV of Reversion:	N/A
Avg Annual Cash on Cash	9.76%
CF % of Yield:	100.03%
Reversion % of Yield:	N/A

Analysis Year	Year	Fiscal Year End	Net Cash Flow	Net Reversion	Discount Rate	Undiscounted CF	Discount Factor	Discounted CF	% of Yield	Annual Cash on Cash Return
0	2019	12/31/2019			7.0%	-	1.00000	-	0.00%	NA
1	2020	12/31/2020	6,674,688	-	7.0%	6,674,688	0.93458	6,238,026	4.53%	4.84%
2	2021	12/31/2021	8,546,148	-	7.0%	8,546,148	0.87344	7,464,537	5.42%	6.20%
3	2022	12/31/2022	11,817,233	-	7.0%	11,817,233	0.81630	9,646,382	7.00%	8.58%
4	2023	12/31/2023	12,066,441	-	7.0%	12,066,441	0.76290	9,205,430	6.68%	8.76%
5	2024	12/31/2024	12,328,224	-	7.0%	12,328,224	0.71299	8,789,853	6.38%	8.95%
6	2025	12/31/2025	12,563,003	-	7.0%	12,563,003	0.66634	8,371,259	6.07%	9.12%
7	2026	12/31/2026	12,939,402	-	7.0%	12,939,402	0.62275	8,058,009	5.85%	9.39%
8	2027	12/31/2027	13,317,130	-	7.0%	13,317,130	0.58201	7,750,691	5.62%	9.66%
9	2028	12/31/2028	13,752,692	-	7.0%	13,752,692	0.54393	7,480,553	5.43%	9.98%
10	2029	12/31/2029	14,089,767	-	7.0%	14,089,767	0.50835	7,162,523	5.20%	10.22%
11	2030	12/31/2030	14,460,800	-	7.0%	14,460,800	0.47509	6,870,222	4.99%	10.49%
12	2031	12/31/2031	14,885,862	-	7.0%	14,885,862	0.44401	6,609,501	4.80%	10.80%
13	2032	12/31/2032	15,020,509	-	7.0%	15,020,509	0.41496	6,232,977	4.52%	10.90%
14	2033	12/31/2033	11,019,084	-	9.0%	11,019,084	0.29925	3,297,422	2.39%	8.00%
15	2034	12/31/2034	11,318,361	-	9.0%	11,318,361	0.27454	3,107,321	2.25%	8.21%
16	2035	12/31/2035	11,645,976	-	9.0%	11,645,976	0.25187	2,933,269	2.13%	8.45%
17	2036	12/31/2036	12,115,299	-	9.0%	12,115,299	0.23107	2,799,521	2.03%	8.79%
18	2037	12/31/2037	12,330,985	-	9.0%	12,330,985	0.21199	2,614,092	1.90%	8.95%
19	2038	12/31/2038	12,688,978	-	9.0%	12,688,978	0.19449	2,467,875	1.79%	9.21%
20	2039	12/31/2039	13,057,711	-	9.0%	13,057,711	0.17843	2,329,899	1.69%	9.48%
21	2040	12/31/2040	13,585,939	-	9.0%	13,585,939	0.16370	2,223,992	1.61%	9.86%
22	2041	12/31/2041	13,828,695	-	9.0%	13,828,695	0.15018	2,076,817	1.51%	10.04%
23	2042	12/31/2042	14,231,619	-	9.0%	14,231,619	0.13778	1,960,852	1.42%	10.33%
24	2043	12/31/2043	14,646,632	-	9.0%	14,646,632	0.12640	1,851,407	1.34%	10.63%
25	2044	12/31/2044	15,241,157	-	9.0%	15,241,157	0.11597	1,767,484	1.28%	11.06%
26	2045	12/31/2045	15,514,381	-	9.0%	15,514,381	0.10639	1,650,614	1.20%	11.26%
27	2046	12/31/2046	15,967,876	-	9.0%	15,967,876	0.09761	1,558,589	1.13%	11.59%
28	2047	12/31/2047	16,434,976	-	9.0%	16,434,976	0.08955	1,471,727	1.07%	11.93%
29	2048	12/31/2048	17,104,119	-	9.0%	17,104,119	0.08215	1,405,181	1.02%	12.41%
30	2049	12/31/2049	17,411,635	-	9.0%	17,411,635	0.07537	1,312,335	0.95%	12.64%
31	***2049***	***11/30/2049***	***16,439,486***	-	9.0%	16,439,486	0.06915	1,136,755	0.82%	11.93%
		Reversion NOI:	N/A		Total:	417,044,807		**$137,800,000**	100.00%	
								$482,000	Per Room	

Direct Capitalization

Direct capitalization is a method used to convert an opinion of a single year's income expectancy into an indication of value. The single year's income is typically designed to reflect a subject property's stabilized level of operation and revenue potential. The conversion into a value indication is accomplished in one direct step by dividing the income by an appropriate capitalization rate.

The following table illustrates overall capitalization rates for the subject property that have been derived based on our opinion of value via the discounted cash flow method. Note that the stabilized year's net income has been deflated to first projection year dollars at the underlying 3.0 percent inflation rate.

Note the implied overall capitalization rates below have been derived from the As Is value conclusion:

Implied Overall Capitalization Rates		
	NOI	*Capitalization Rate*
Year End 2018	$7,600,345	5.52%
Year End 2019	$3,184,508	2.31%
Year One	$6,674,688	4.84%
Stabilized Year	$12,066,441	8.76%
Stabilized Year Deflated to Year One	$10,720,877	7.78%

We believe the stabilized and stabilized deflated implied rates appear to be market-oriented and typical for a stabilized hotel operations' rates of return, for a hotel such as the subject in New York City. Given the subject's location, age, condition, full-service product-type, level of fit & finish, competitive market positioning, the anticipated renovations, unencumbered nature regarding management, as well as the leasehold nature of the asset, the implied capitalization rates are considered to be within a reasonable range.

Conclusion via Income Capitalization Approach

The indicated value of the leasehold interest in the subject property, in its as is condition, and subject to the assumptions, limiting conditions, certification and definitions, as of December 31, 2019, is $137,800,000, or approximately $482,000 per key.

Sales Comparison Approach

The sales comparison approach is used to estimate the value of real estate by comparing recent sales of similar properties in the surrounding or competing area to the subject property. Inherent in this approach is the principle of substitution. The approach is applicable when an active market provides sufficient quantities of reliable data that can be verified from authoritative sources. The comparative process involves judgment as to the similarity of the subject and the comparable sales.

In the case of hotel properties, comparisons among hotels can be very difficult given the unique characteristics of each property. Hotels represent not only real estate but are also businesses that are often difficult to compare. Hotels can differ by physical characteristics, market orientation, management affiliation, reputation, operating characteristics, locality, and other factors. As such direct comparison of hotel sales is usually considered a secondary approach. Additionally, different investors perceive hotels as valuable for different reasons; for example, they may look for:

1. *An immediate return of cash flow through re-flagging or new management;*
2. *The establishment of a long-term presence in a market where they are under-represented;*
3. *Upscale/Trophy hotel ownership to establish a high profile;*
4. *A perceived bargain relative to cost; and,*
5. *Management fees in addition to cash flow.*

In the case of the subject, the direct sales comparison approach is utilized as a guide to suggest a reasonable range of values of the subject hotel. The value of the subject hotel development is derived primarily from the income capitalization approach.

As noted earlier, growth in the lodging market due to the improving health of the economy has resulted in optimism among hoteliers and industry experts who expect hotel values to remain stable, if not increase, during the next few years. Lending for hotel transactions virtually disappeared from the end of 2008 through 2009 due to the rapid decline in property values. Transactions that were completed were most often completed as all-cash deals or were completed with significantly higher loan-to-value ratios. As the market improved, the lending economics have become more favorable to buyers and hotel sale transactions have reached peak levels on a per room basis.

Methodology

In the Sales Comparison Approach, the value of a hotel is developed by comparing it with similar, recently sold hotel properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value emphasizes the physical elements of the subject in conjunction with income. For hotels, price per room is the most common unit of comparison. We have identified and researched sales of hotels in Manhattan. In light of today's economic climate, only sales after January 1, 2015 were researched to compare the subject property's value to the most appropriate value of similar hotels. The table below summarizes relevant transactions that were reportedly single asset, arms-length sales, unless otherwise indicated.

The chart below displays several sales, which represent hotel sale transactions in Manhattan over the past several years. **Note these sales represent fee simple assets, unless otherwise indicated.**

New York City Hotel Sales

No.	Property Name	Date	Rooms	Sale Price	Price Per Room	Cap. Rate	Open Date	Union/ Non Union
1	St. Regis New York	Oct-19	238	$310,000,000	$1,302,521	NA	1904	Union
2	Courtyard SoHo	Oct-19	120	$59,700,000	$497,500	NA	2010	Non-Union
3	Kimpton Ink48 Hotel	Sep-19	222	$82,700,000	$372,523	NA	2006	Union
4	The Hotel @ Fifth Avenue	Aug-19	182	$56,520,000	$310,549	NA	1903	Union
5	Club Quarters Midtown	Aug-19	167	$64,530,500	$386,410	NA	1903	Non-Union
6	Broadway @ Times Square	Aug-19	79	$24,000,000	$303,797	NA	1930	Union
7	Dream Downtown*	Jun-19	314	$175,000,000	$557,325	NA	2011	Union
8	Flatiron Hotel	May-19	64	$40,300,000	$629,688	NA	2011	Non-Union
9	SpringHill Suites & Fairfield Inn & Suites	Mar-19	576	$274,300,000	$476,215	NA	2019	Non-Union
10	Parker Hotel New York*	Jan-19	731	$420,000,000	$574,555	3.5%	1981	Union
11	Embassy Suites New York Midtown Manhattan	Jan-19	310	$195,000,000	$629,032	NA	2018	Non-Union
12	Westin New York Grand Central*	Jan-19	774	$302,000,000	$390,181	3.7%	1981	Union
13	Park Central / WestHouse	Nov-18	933	$375,500,000	$402,465	5.4%	1925	Union
14	Gild Hall, A Thompson Hotel	Nov-18	130	$38,750,000	$298,077	5.8%	1999	Union
15	Wingate by Wyndham Manhattan Midtown	Oct-18	92	$44,000,000	$478,261	NA	2006	Non-Union
16	Hotel Indigo Lower East Side	Oct-18	294	$162,500,000	$552,721	NA	2015	Non-Union
17	W Union Square	Sep-18	270	$165,635,985	$613,467	NA	2000	Union
18	Viceroy New York*	Jul-18	240	$41,000,000	$170,833	NA	2013	Union
19	The Plaza Hotel New York	Jul-18	282	$600,000,000	$2,127,660	NA	1907	Union
20	The Quin*	Jun-18	208	$175,000,000	$841,346	NA	2013	Union
21	Riff Downtown Hotel	Jun-18	36	$19,200,000	$533,000	NA	2016	Non-Union
22	Westgate New York City (formerly Hilton Grand Central)	Jun-18	300	$50,000,000	$166,667	NA	N/A	Union
23	W Hotel New York	May-18	697	$190,000,000	$272,597	NA	1926	Union
24	Riff Hotel Chelsea	Apr-18	43	$27,500,000	$639,535	NA	N/A	Non-Union
25	Aloft Harlem	Mar-18	124	$33,800,000	$272,581	NA	2010	Union
26	Hampton Inn Financial District	Mar-18	81	$32,400,000	$400,000	NA	2014	Non-Union
27	Comfort Inn Midtown West	Dec-17	88	$29,168,079	$331,455	NA	2013	Non-Union
28	Royalton Park Avenue Hotel (Gansevoort Park Avenue)	Dec-17	249	$198,500,000	$797,189	NA	2010	Union
29	The James New York	Dec-17	114	$66,300,000	$581,579	NA	2010	Union
30	Smyth Hotel - Tribeca	Nov-17	100	$72,200,000	$722,000	NA	2009	Non-Union
31	Comfort Inn Times Square South	Nov-17	78	$27,200,000	$348,718	NA	2007	Non-Union
32	The Standard High Line	Oct-17	338	$323,000,000	$955,621	NA	2008	Non-Union
33	AKA Sutton Place*	Oct-17	76	$116,500,000	$1,532,895	NA	1923	Union
34	Nyma Hotel	Aug-17	171	$52,000,000	$304,094	NA	2000	Union
35	Royalton Hotel	Aug-17	168	$55,000,000	$327,381	NA	1988	Union
36	DoubleTree by Hilton New York - Times Square South	Aug-17	224	$106,000,000	$473,214	NA	2008	Non-Union
37	Morgans Hotel*	Jul-17	113	$37,000,000	$327,434	NA	N/A	Union
38	Affinia Dumont Hotel	Jun-17	252	$118,000,000	$468,254	NA	N/A	Union
39	Club Quarters Downtown	Jan-17	289	$95,000,000	$328,720	NA	1995	Non-Union

Footnotes*

Sale #	
7	This property represents a leased fee interest
10	Purchased for re-branding and partial residential conversion
12	Purchased for residential conversion
18	This property represents a leasehold interest
20	Purchased by Hilton Grand Vacations for conversion to timeshares
33	CalSTRS purchased 91% stake of property in October 2017
37	Purchased for residential conversion

Source: LW Hospitality Advisors®

Analysis of Comparable Sales

The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable improved sales. These sales were chosen based upon similar segmentation, markets and branding. All sales were considered an arm's-length transaction and required no adjustments for financing terms or conditions of sale. We have indicated and described the following relevant sales in further detail:

- In January 2019, the ***Parker Hotel*** sold for $420,000,000, or approximately $574,555 per key. The 731 key property was sold to a joint venture between GFI Capital and Elliott Management for redevelopment. The property contains a significant retail component and leased parking garage, as well as a robust food and beverage program.

- In October 2018, the ***Hotel Indigo Lower East Side*** sold for $162,500,000, or approximately $552,721. The property was marketed for nearly one year before buyer MMR Development acquired the 294-room hotel from a joint venture between Brack Capital and InterContinental Hotel Group. The property features rooftop bar, Mr. Purple, along with a rooftop pool and a lobby bar & café.

- In September 2018, the ***W Union Square***, located at 201 Park Avenue South, reportedly sold for $165,635,985 or approximately $613,467 per key. The buyer was Westbrook Partners and the sellers were Istithmar World PJSC and Host Hotels & Resorts. The hotel features 270 rooms, two restaurants, a fitness center and 4,828 square foot of meeting space.

- The ***W Hotel New York*** was reportedly sold for $190,000,000, or approximately $272,597 per key, in May 2018. The 697-room property originally opened in 1998 as the first W brand hotel. Host Hotels & Resorts LLC sold the property to Capstone Equities and Highgate Holdings. It was announced in May 2018 that the hotel would be rebranded as "Maxwell' and would undergo significant renovations in the near term.

- The ***Gansevoort Park*** hotel is reportedly pending sale to Highgate Hotels. The purchase price is reported to be $200,000,000, or $803,000 per each of the 249 keys. The sellers are a joint venture between the Gansevoort Hotel Group, Centurion Realty, and Douglaston Development.

- In October 2017, Gaw Capital Partners closed on their purchase of the 338-room ***Standard Hotel Highline*** for $323,000,000, or approximately $955,621 per key. Opened in 2008, the hotel is located in the Meatpacking District with five food & beverage outlets. Standard International, which owns and operates the hotel, reportedly purchased the hotel previously for an estimated $400 million. Standard International will continue to operate the hotel going forward.

- The 20-story, 114-room ***James New York SoHo*** sold for $70,000,000, or approximately $614,035 per key. The high-end boutique property is located in Soho and at the time of the sale, featured food and beverage concepts managed by celebrity chef David Burke. The seller, Prudential Real Estate Investors, reportedly acquired the asset for a reported $85,000,000, or approximately $745,000 per key, encumbered by management by Denihan Hospitality Group, in May 2013. Reportedly, Prudential RE Investors purchased the property from the joint venture of Brack Capital and Extell Development, who developed the property in 2010.

- In March 2016, the recently opened ***11 Howard Hotel*** in Soho was purchased by REIT HausInvest, affiliated with German-based Commerz Real, for $170,000,000, or approximately $769,231 per key, from Soho Hotel Owner, part of RFR Holding USA. This sale transaction was followed by a sale-leaseback arrangement, at which Soho Hotel Owner is now the long-term tenant. The hotel affiliated with Starwood Hotels and Resorts under its new Design Hotels brand. The 221-key hotel also features leased ground-floor space including Stephen Starr-branded food and beverage, art gallery space, and a retail component. The hotel was built in 1907.

- Also of note, in November 2015, the ***London NYC*** sold for $382,000,000 or $678,508 per each of the 563 keys. **It is important to note the sale is of the leasehold interest.** The Abu Dhabi Investment Authority (ADIA) purchased the hotel from the Blackstone Group.

The Sales Comparison Approach is difficult to apply in the case of complex hotel properties because of the numerous differences between the subject and comparable sales. Some of the differences between the comparable sales and the subject property can often include location and accessibility, size, services and facilities offered, market conditions, chain affiliation, market orientation, management, rate structure, age, physical condition, date of sale, the highest and best use of the land, and the anticipated profitability of the operation. Circumstances surrounding a sale, including financing terms, tax considerations, income guarantees, sales of partial interests, duress on the part of the buyer or seller, or a particular deal structure, result in disparities between the actual sales price and pure market value. Additionally, it is usually very difficult to obtain the marketing period, and an accurate capitalization rate, for the comparable sales. In practice, it is virtually impossible to quantify the appropriate adjustment factors accurately because of their number and complexity, as well as the difficulty in obtaining specific, detailed information. Any attempt to manipulate the necessary adjustments is insupportable and purely speculative.

Because an appraiser is expected to reflect the analytical processes and actions of typical buyers and sellers rather than to create an insupportable and highly subjective valuation approach, the investment rationale of hotel owners is an essential consideration. As specialists in the valuation of hotels, we find that typical buyers and sellers purchase properties based upon a thorough analysis of anticipated future economic benefits of property ownership rather than on historical sales data. The Sales Comparison Approach should therefore be used to provide a general range of values that will serve as a check against the value indicated by the Income Capitalization Approach.

In appraising lodging facilities, it is often difficult to find an adequate number of recent sales that are truly comparable to the subject property. Although it is often necessary to consider comparable sales outside the subject property's market area, the resulting adjustments greatly diminish the reliability of the conclusions. Most observers of hotel transactions are unable to determine the true motivations of the buyers and sellers. Acquiring a hotel often represents a highly ego-driven process where many external, non-market factors influence the purchase price. Unless the appraiser can quantify these influences, there is no way of knowing whether the purchase price paid actually reflects market value.

Finally, when appraising hotels, the degree of comparability between the subject property and a comparable sale is usually so diverse that many subjective and unsubstantiated adjustments are required. Each adjustment represents a potential for error and thereby diminishes the reliability of this approach. As a result of these shortcomings, the use of the Sales Comparison Approach in valuing hotels is primarily limited to checking the value indicated by the Income Capitalization Approach.

Conclusion via Sales Comparison Approach

Based on the array of data presented and considering the subject property's construction, size, and location of the subject property, as well as the Income Capitalization Approach conclusion of $137,800,000, or approximately $482,000, LWHA® projects that the as is value via Sales Comparison Approach ranges from approximately $458,000 - $506,000 per key, for a total consideration ranging from $130,900,000 - $144,700,000.

Reconciliation

We have considered the Income Capitalization and Sales Comparison approaches to value. The results are as follows:

Income Capitalization Approach	
As Is	$137,800,000, or $482,000 per key
Sales Comparison Approach	$130,900,000 - $144,700,000, or $458,000 - $506,000 per key

In our valuation of the subject property, we have relied primarily on the Income Capitalization Approach to value utilizing a discounted cash flow method. The Sales Comparison Approach was applied and is considered to provide reasonable support to the conclusion of the Income Capitalization Approach.

In our Income Capitalization Approach to value, the subject property has been valued by analyzing the local market for transient accommodations and developing a projection of income and expense that reflects the current and future anticipated income and expense trends over a ten-year holding period. The net income is then capitalized and discounted to the date of value by an appropriate internal rate of return through a discounted cash flow analysis. Implied direct capitalization rates were also illustrated.

The Sales Comparison Approach reflects an opinion of value as indicated by the actual sales of hotels. In this approach, we searched the regional and national market for transactions of similar property types. Several sales of major hotels were examined, and this approach was useful in providing value parameters to bracket the value concluded to by the Income Capitalization Approach.

The Cost Approach estimates market value by computing the cost of replacing the property and subtracting any depreciation resulting from physical deterioration, functional obsolescence, and external (or economic) obsolescence. The value of the land, as if vacant and available, is then added to the depreciated value of the improvements for a total value estimate. The Cost Approach is most reliable for estimating the value of new properties; however, as the improvements deteriorate and market conditions change, the resultant loss in value becomes increasingly difficult to quantify accurately. Moreover, our experience with hotel investors shows that this group of buyers and sellers relies upon the methods of the income approach (as well as a review of sales data) when making decisions; the cost approach generally does not play a significant role. Considering such factors, we do not consider the Cost Approach to be appropriate for the valuation of the subject property.

Careful consideration has been given to the strengths and weaknesses of the three approaches to value discussed above. In recognition of the purpose of this appraisal, we have given primary weight to the value indicated by the Income Capitalization Approach and have utilized the Sales Comparison Approach as a check for reasonableness.

As Is Market Value

As a result of our analysis, we are of the opinion that the market value of the leasehold interest of the subject hotel property, in its as is condition and subject to the assumptions and limiting conditions, certification and definitions, and extraordinary assumptions and hypothetical conditions, if any, as of December 31, 2019, is:

ONE HUNDRED THIRTY-EIGHT MILLION DOLLARS
$138,000,000 or $483,000 per room

Allocation of Market Value As Is		
Real Property	$135,140,000	98%
Personal Property	$2,860,000	2%
Business Value	$0	0%
Total	**$138,000,000**	**100%**

Please note our valuation is subject to the Extraordinary Assumptions presented in this transmittal letter.

The opinion(s) of value include the improvements and the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational. The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to the future behavior of consumers and the general economy, which are highly uncertain. However, it is inevitable that some assumptions will not materialize and unanticipated events may occur that will cause actual achieved operating results to differ from the financial analyses contained in this report and these differences may be material. Therefore, while our analysis was conscientiously prepared on the basis of our experience and the data available, we make no warranty that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results may depend.

We did not ascertain the legal, engineering, and regulatory requirements applicable to the property, including zoning and other state and local government regulations, permits and licenses. No effort has been made to determine the possible impact on the property of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof. With respect to the market demand analysis, our work did not include analysis of the potential impact of any significant rise or decline in local or general economic conditions.

We believe, based on the assumptions employed in our cash flow, as well as our selection of investment parameters for the subject, that the value conclusion represents a market price achievable within 6 to 12 months exposure prior to the date of value.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the last day of our fieldwork, January 23, 2020.

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions. We particularly call your attention to the extraordinary assumptions and hypothetical conditions listed below.

Extraordinary Assumptions

Extraordinary Assumptions are assumptions which if found to be false could alter the resulting opinion or conclusion.

The subject property represents a leasehold interest per a building lease agreement between the landlord (The Lillian Goldman Family, LLC (85%) and Estate of Lillian Goldman (15%)) and the tenant 1186 Broadway LLC (Formerly: Broadway Breslin Associates, LLC, preceded by Broadway Breslin Associates, Inc.). The agreement originally commenced January 1, 1984 with an expiration of November 30, 2032, and was amended November 21, 2007. The amendment incorporated execution of an extension term, thereby extending the term of the agreement through November 21, 2049. The agreement stipulates a fixed rent payment schedule through November 30, 2032, after which point the rent is subject to a fair market value reset commencing December 1, 2032. The reset rent is stipulated to equal 8.0% of the fair market value of the property, defined as the price at which the landlord's fee interest in the property would be sold for cash by a willing seller to a willing buyer. The "property" includes all buildings and improvements inclusive of FF&E. Accordingly, such a reset can potentially lead to a considerable increase in rent, particularly for a property such as the subject which has been restored by the tenant, and is located in a submarket that has dramatically improved over the past decade. Per conversations with ownership, the rent will equate to approximately $5,500,000 upon its reset in 2032. We have assumed this proposed rent to be achievable, though the rent could possibly be calculated to a reset amount significantly higher than the figure provided, depending upon interpretation of the lease reset provision. If the rent were to be reset to the maximum amount possible per the agreement, it may yield a financially infeasible rent amount. We believe that most landlords would likely opt to renegotiate the rent reset, rather than all but ensure a tenant's default (in which case, they would earn no rent). Regarding the subject, the tenant is legally permitted to continue to occupy the building(s) up to the rent reset date, and beyond. As such, if the tenant is aware an unfeasible rent payment will force them from the building in the near future, they would likely be discouraged from maintaining the quality and condition of the building, which we believe is a scenario a landlord would seek to avoid. Furthermore, according to ownership, if the tenancy were to change hands, various use issues would arise such with the City and the Landmarks Commission, which would likely make it difficult for the landlord to rent the building at the "maximum" rent possible. These factors considered, per discussions with ownership (leaseholder) we have assumed ownership will successfully negotiate for a rent reset to $5,500,000 as of December 1, 2032. We reserve the right to amend our analysis and conclusions herein, as any increase in the rent would have a direct negative impact on value of the property.

This appraisal assumes that throughout the projection period, the subject property will continue to operate as an Ace hotel, or otherwise as an independent product affiliated with a similar soft brand.

We have assumed the current management agreement with Ace Hotel New York LLC would be unencumbering upon sale of the property. As such, we have assumed the hotel would be operated by competent third party management going forward, at a market-oriented fee structure. We have assumed all-inclusive fees would be equal to 3.0% of gross revenues less the residential, retail, and restaurant lease income.

We have assumed that the retail and restaurant rental streams will increase with inflation, at 3.0%, annually going forward. This projection assumes revenue levels at each of the outlets will increase with inflation, which thereby impacts the percentage rent components accordingly. Please note that Black Seed Bagels outlet replaced the No. 7 Sub Shop in April 2018, and commenced rent payments in August 2018. Additionally, the John Dory Oyster Bar closed in 2019, and was replaced by a lease to Milk Bar. The former Project 8 space was replaced by Milk Bar as well. Per our understanding, Milk Bar commenced rental payments in January 2020. We have assumed the rent schedule as stipulated in the provided agreement. Please note there is a percentage rent component that we have not directly incorporated given the speculation required to do so. Last, in January 2020, Opening Ceremony announced it will be closing all of its retail stores. Per information provided by ownership, we have assumed Opening Ceremony will close in February 2020, and that a new tenant will be installed and commence rent payments on May 1, 2020. Our synopses of each of the lease agreements are displayed in the Income & Expense section of this report. We have assumed there will be no major changes in the number and quality of tenants going forward.

The prior food & beverage lessee, Friedman Breslin LLC, was terminated at the beginning of 2018. One of the former partners of Friedman Breslin LLC, Chef April Bloomfield, was retained by ownership for oversight and consulting of the spaces (the Breslin and John Dory). Additionally, commencing in the Fall 2018, management of the two venues was formally added to the responsibilities of the hotel manager (Ace Hotel Group). The net income to the hotel remains the same, at 9.5% of revenues generated by the two outlets. We have assumed that this arrangement will remain in place going forward under similar terms.

Per information provided by ownership, renovations will occur from 2020-2021, costing approximately $5,000,000, or $17,483 per key (based on 286 keys). The renovation is anticipated to be focused on improving the guestroom product, including bathrooms. We have assumed the capital will be spent equally during those two years. We have incorporated these deductions in the Reserves for Replacement line item of the cash flows.

Given the nature of rent-control and rent-stabilization laws in New York City, we have assumed the residential rent derived from the SRO tenants will remain flat, and not grow with inflation going forward. It is possible that several SRO units may become available during the projection period, and subsequently converted into hotel keys. However, we believe it would be overly speculative to estimate this figure. As such, we have not accounted for any SRO units to convert into hotel keys during the projection period. However, we have accounted for the reported conversion of one SRO unit in 2019, which is now operated as a hotel guestroom. As such, the current guestroom count of the hotel is now 286.

Please note we put forth substantial efforts to obtain the best available data, and worked with ownership extensively to appropriately compile financial statements. Ownership's financial statement record-keeping formats and methodologies entail compilation of several statements prepared by different groups; namely, the hotel financial statements prepared by the hotel manager (Ace Hotel Group), the restaurant financial statements, and the financial statements prepared by ownership which includes additional management and administrative expenses, as well as the residential and retail rent and recoveries. We assume that our understanding of the financials to be accurate. We also considered the financial statements of several relevant comparable hotels in Manhattan as a means of projecting expenses going forward appropriate for the subject, considering its size, revenue production, and the expanded nature of the operation given the inclusive of a sizable food and beverage component, and numerous retail and residential tenants.

If any of the aforementioned assumptions prove untrue, it may have an impact on our concluded opinion(s) of value. We reserve the right to amend our conclusions herein upon receipt of any additional information.

Hypothetical Conditions

Hypothetical Conditions are assumptions made contrary to fact, but which are assumed for the purpose of discussion, analysis, or formulation of opinions.

This appraisal employs no hypothetical conditions.

Marketing Period

The preceding opinion of market value is based upon a forecast marketing period of approximately 6 to 12 months, which we believe (through conversations with area hotel/motel investment brokers) to be reasonably representative for the properties such as the subject at this time.

Personal Property Allocation

Included in the above estimate of market value is the contributing value of the personal property at the subject property, or the furnishings, fixtures and equipment (FF&E). FF&E is generally considered to be part of the hotel property and is typically sold with the building. It is therefore considered to be a part of the property's total value. FF&E includes the hotel's guest room and public area furnishings, kitchen equipment, service/maintenance equipment and other machinery.

Based on our review of the subject, we have concluded that the value of the FF&E as new is approximately $20,000 per unit, for a total replacement cost of $5,720,000. Although hotel FF&E typically have a useful life of five to ten years, depreciation of these assets occurs at a much faster rate than straight-line and depreciate to some degree immediately upon being placed into service.

The property is currently in good condition. We conclude that the contributory value of the subject's FF&E would be no more than 50 percent of cost. Therefore, the contributory value of the FF&E is estimated to be $2,860,000.

Business Value (Going Concern)

Hotels are undisputedly a combination of business and real estate; the day-to-day operation of a hotel represents a business over and above the real estate value. Numerous theories have been developed in

an attempt to isolate the business component of a hotel. When hotels were routinely leased to hotel operators, separating the income and value attributable to each component was a simple matter. However, during the 1970s, the hotel property lease was replaced with the hotel management contract.

It is widely accepted today that managing agents are hired by hotel owners to operate a property in return for a management fee. The fee is paid to the operator as an operating expense, and what remains is net income available to pay debt service and generate a return on the owner's equity. Purchasers of hotels as real estate investments are able to passively own the property by employing a managing agent, as was the case with the property lease in earlier years.

The real and personal property components of the subject property have already been valued in this appraisal and any business component has been accounted for through the deduction of market rate management and franchise fees. By making these deductions, we believe that there is no business value included in our conclusion of market value.

Certification of the Appraisal

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed appraisal services for property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Michelle LaRocca made a personal inspection of the property that is the subject of this report. Evan Weiss, MRICS and Jonathan Jaeger, MAI did not inspect the subject property.
10. The real property appraisal assistance of Michelle LaRocca is hereby recognized. Michelle LaRocca assisted in the market analysis, forecasting, valuation analysis, and report writing components of this report. No one else provided significant real property appraisal assistance to the person(s) signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Jonathan Jaeger, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Evan Weiss, MRICS
Executive Managing Director, Principal
New York Certified General Appraiser
License No. 46000049985



Jonathan Jaeger, MAI
Managing Director
New York Certified General Appraiser
License No. 46000050939

Addendum

Evan Weiss, MRICS

COO, Principal

LW Hospitality Advisors

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New York, NY 10036
(212) 300-6684 x102
Evan.Weiss@lwhadvisors.com

Mr. Weiss engages in the procurement and management of appraisals and consultation of lodging properties throughout the United States. Assignments include full and partial interest appraisals and market studies of full service, limited service, extended stay, luxury, and mid-scale hotel facilities. Mr. Weiss has participated in the evaluation of over $6 billion in hotel real estate assets.

Mr. Weiss serves as Executive Managing Director, Principal of LW Hospitality Advisors. He was previously an associate at CBRE Hotels - Hospitality & Gaming Valuation Advisory Services Group, where he was awarded Silver and Gold production awards during each year of his tenure. He also received the Valuation Services Professional of the Year Award for the Tri-State region in 2007. Prior to joining CBRE, Mr. Weiss held the executive position of Director of Operations for CARINO Hotels & Resorts in New York, a sales and marketing firm representing 75 luxury hotels throughout the globe. Mr. Weiss was the first official hire for this firm and grew the entity by recruiting twenty professionals around the world.

Mr. Weiss's operational experience includes serving as General Manager at City Food Bar Inc., where he led corporate management and operational efforts at the restaurant ownership and management firm as well as worked with the Founder and President to build and expand the business. He holds a Bachelor of Science degree in Hotel and Tourism Management from New York University Preston Robert Tisch Center for Hospitality, Tourism and Sports Management. Following successful terms as Board Member and Vice President, Mr. Weiss served as President of the NYU Tisch Center Alumni Society, as well as a member of the Tisch Center's Advisory Board. While attending NYU's Tisch Center, Mr. Weiss was twice honored with the President's Service Award for Leadership and Community Service. He also served on the search committee for the Divisional Dean of the Tisch Center. In the upcoming Fall 2014 academic semester, Mr. Weiss will act as an adjunct professor of the Lodging Development course offered through the Tisch Center's Hotel and Tourism Management major. Mr. Weiss currently serves as a member of the REX Gala and REX Premiere committees of the UJA - Federation of New York, and is a member of the AIPAC Washington Club.

EDUCATION

- New York University, Preston Robert Tisch Center for Hospitality Tourism & Sports Management
    - Bachelor of Science, Hotel and Tourism Management, 2003
- New York University Real Estate Institute
    - Introduction to Real Estate Appraisal (R1)
    - Valuation Principles and Procedures (R2)
    - Introduction to Property Valuation (G1)
    - Principles of Income Property Appraising (G2)
    - Applied Income Property Valuation (G3)
    - AQ-1 Appraiser Qualification
    - 15-Hour National USPAP Course

LICENSES & MEMBERSHIPS

- New York State Certified General Real Estate Appraiser – License #46000049985
- Appraisal Institute, Candidate for Designation #559654
- Royal Institution of Chartered Surveyors, Professional Member #6197437
- UJA Hospitality, Chair
- AIPAC Hospitality Committee, Inaugural Chair
- Israel and Advisory Board Member, IHIS 2019

EMPLOYMENT EXPERIENCE

- 2014-present — New York University, SPS — New York, NY
  Preston Robert Tisch Center for Hospitality and Tourism
  Adjunct Professor – Lodging Development

- 2011-present — LW Hospitality Advisors LLC — New York, NY
  Executive Managing Director, Principal

- 2006-2010 — CB Richard Ellis, Inc. — New York, NY
  Valuation & Advisory Services – Hospitality & Gaming Group
  Real Estate Analyst/Appraiser

- 2001-2006 — CARINO Collection — New York, NY
  Director, Membership Services

- 1999-2003 — City Food Bar, Inc. — New York, NY
  General Manager

PROFESSIONAL SPEAKING ENGAGEMENTS

- EisnerAmper Real Estate Principals Reception
    - Moderator

- NYU Fall 2016 Business Development III Barracuda Tank
    - Guest “Barracuda”
- NYU Spring 2017 Business Development III Barracuda Tank
    - Guest “Barracuda”
- Israel Hotel Investment Summit 2018
    - Panelist
- NYU 2018 Hospitality Investment Conference
    - Moderator
- Bank of America Merrill Lynch 2019 Gaming & Lodging Conference
    - Moderator
- Israel Hotel Investment Summit 2019
    - Speaker
- REFA - Hotels: What Works & Why
    - Moderator
- NYU Fall 2019 Business Development III Barracuda Tank
    - Guest “Barracuda”

Jonathan Jaeger, MAI

Senior Managing Director

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200 West 41st Street, Suite 602
New York, NY 10036
(212) 300-6684 x116
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Jonathan Jaeger currently serves as a Senior Managing Director with LW Hospitality Advisors, based in New York City. During his tenure at LWHA, Mr. Jaeger has been responsible for the management and execution of over 1,000 lodging/gaming consulting and valuation assignments throughout the United States, Canada, Mexico, and the Caribbean on an annual basis. From February of 2014 through August of 2019, Jonathan was a Managing Director with the firm. Prior to joining LWHA, Mr. Jaeger had been with Pinnacle Advisory Group from January of 2008 through January of 2014. He began as a Consultant in the Boston office and was promoted to Vice President and head of the New York Practice.

Prior to his advisory career, Mr. Jaeger held various hospitality operational and accounting/finance positions with Starwood Hotels & Resorts and Kimpton Hotels & Resorts. He graduated with a Bachelor of Science from the Boston University School of Hospitality Administration in addition to a minor in Business Administration from the Boston University Questrom School of Business.

Beginning in the spring of 2011, Mr. Jaeger joined the adjunct faculty at Boston University, serving as co-instructor of the Hotel Asset Management course. Mr. Jaeger currently teaches a class in the Master of Management in Hospitality (MMH) Program. In addition to teaching a course at Boston University, Mr. Jaeger has written several articles for industry wide publications; topics included the Manhattan Lodging Market, Highest and Best Use Analyses, E-Commerce in the Hotel Industry, Texas Energy Lodging Markets, among others. In New York City, Jonathan is a member of YHIP, the Young Hospitality Investment Professionals Group and also previously participated with the NYC & Company Hotel Committee. Mr. Jaeger is also a member of the Metro NY Chapter of the Appraisal Institute. Beginning in the Fall of 2014, Mr. Jaeger joined the Adjunct Faculty at New York University; teaching the Lodging Development course in addition to others in the Jonathan M. Tisch Center of Hospitality.

Mr. Jaeger is a State Certified Real Estate Appraiser specializing exclusively in the evaluation of hotel, resort, and gaming properties. Mr. Jaeger is a designated member of the Appraisal Institute (MAI); he achieved this designation in June of 2013. In addition, Mr. Jaeger is a member of the International Society of Hospitality Consultants (ISHC) as well as a Recreational/Developmental Coach for the United States Professional Tennis Association (USPTA).

EDUCATION

- Boston University, School of Hospitality Administration
  - Bachelor of Science, Hospitality Administration, Business Administration
  - Accounting/Finance Teaching Assistant

- Appraisal Institute Qualifying and Continuing Education
  - Various qualifying and continuing education courses beginning in 2008

EMPLOYMENT EXPERIENCE

•	2019 - Present	LW Hospitality Advisors® Senior Managing Director	New York, NY
•	2014 - 2019	LW Hospitality Advisors® Managing Director	New York, NY
•	2012 - 2014	Pinnacle Advisory Group Vice President	New York, NY
•	2008 - 2012	Pinnacle Advisory Group Consultant	Boston, MA
•	2007	Starwood Hotels and Resorts Accounting, Sheraton Hotels of New York & W Times Square	New York, NY
•	2006	Starwood Hotels and Resorts Rooms, Boston Park Plaza Hotel and Towers	Boston, MA
•	2005	Kimpton Hotels & Restaurants Intern, Hotel Marlowe & The Onyx Hotel	Boston, MA

AFFILIATIONS & DESIGNATIONS

- The Appraisal Institute
  - Designated Member – MAI

- International Society of Hospitality Consultants (ISHC)
  - Associate Member

- Certified General Real Estate Appraiser

- United States Professional Tennis Association (USPTA)
  - Developmental Coach

- Adjunct Professor – Boston University School of Hospitality Administration
  - Hotel Asset Management
  - Hotel Ownership Strategies

- Adjunct Professor – New York University
  - Lodging Development
  - Hotel Planning, Design, Construction, and Development

PROFESSIONAL SPEAKING ENGAGEMENTS

- The Appraisal Institute
  - Special Use Properties - Seminar Instructor

- The Appraisal Institute – 2015 AI Connect Conference in Dallas
  - Valuation of Seniors Housing and Hospitality Properties – Seminar Instructor

- New Jersey Gold Coast Investment Summit
  - Hotel Panel

- Professional Women in Construction (PWC)
  - Hospitality Forum

- Travel and Tourism Research Association
  - Marketing Outlook Forum - Hospitality

- iGlobal Forum – Global Hospitality & Lodging Investment Summit

- Evercore ISI 2015 Investor Day – Boston

- State of the US Lodging Industry
  - Presented to various lending institutions including US Bank, Deutsche Bank, East West Bank, MetLife, Natixis, Blackstone, and Morgan Stanley

PUBLISHED ARTICLES

- Manhattan Lodging Market: Why ADR Growth is Lagging Behind the U.S. Average
- Highest and Best Use Analysis – Enhancing Hotel Value
- The Impact of E-Commerce and Social Networking on the Hotel Industry
- Hotel Rush! Texas Energy Lodging Markets
- U.S. Lodging Industry Update
- The Evolution of Dual-Branded Hotels: How the Marriott/Starwood Acquisition Enhances Opportunities for Developers
- Boom to Bust; Eagle Ford Shale Lodging Markets Update

OTHER PUBLICATIONS

- Hospitality Management Learning Modules
- “Comprehending and Analyzing F&B Financial Statements”
- “Hotel F&B Profitability Analysis and Cost Management”

AWARDS AND ACHIEVEMENTS

- Hotel Management – Thirty Under 30
- ISHC Lori Raleigh Award for Emerging Excellence in Hospitality Consulting
- Boston University Young Alumni of the Year Award

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EXPIRATION DATE
MO. 01 | DAY 09 | YR. 21

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HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

UNIQUE ID NUMBER
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EFFECTIVE DATE
MO. 02 | DAY 18 | YR. 20

EXPIRATION DATE
MO. 02 | DAY 17 | YR. 22

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C/O LW HOSPITALITY ADVISORS
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NEW YORK, NY 10036

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R.E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

STR # 58097 / Created January 17, 2020

Monthly STAR Report : Ace Hotel New York

For the Month of: December 2019

Currency: US Dollar / Competitive Set Data Excludes Subject Property

Table Of Contents	1	Monthly Performance at a Glance - 2nd Comp	21
Monthly Performance at a Glance	2	STAR Summary - 2nd Comp	22
STAR Summary	3	Competitive Set Report - 2nd Comp	23
Competitive Set Report	4	Response Report - 2nd Comp	24
Response Report	5	Day of Week & Weekday/Weekend - 2nd Comp	25
Day of Week & Weekday/Weekend	6	Daily Data for the Month - 2nd Comp	26
Daily Data for the Month	7	Segmentation at a Glance - 2nd Comp	27
Segmentation at a Glance	8	Segmentation Occupancy Analysis - 2nd Comp	28
Segmentation Occupancy Analysis	9	Segmentation ADR Analysis - 2nd Comp	29
Segmentation ADR Analysis	10	Segmentation RevPAR Analysis - 2nd Comp	30
Segmentation RevPAR Analysis	11	Segmentation Index Analysis - 2nd Comp	31
Segmentation Index Analysis	12	Segmentation Ranking Analysis - 2nd Comp	32
Segmentation Ranking Analysis	13	Segmentation Day Of Week - Current Month - 2nd Comp	33
Segmentation Day Of Week - Current Month	14	Segmentation Day Of Week - Year to Date - 2nd Comp	34
Segmentation Day Of Week - Year to Date	15	Segmentation Day Of Week - Running 3 Month - 2nd Comp	35
Segmentation Day Of Week - Running 3 Month	16	Segmentation Day Of Week - Running 12 Month - 2nd Comp	36
Segmentation Day Of Week - Running 12 Month	17	Additional Revenue ADR Analysis (TrevPOR) - 2nd Comp	37
Additional Revenue ADR Analysis (TrevPOR)	18	Additional Revenue RevPAR Analysis (TrevPAR) - 2nd Comp	38
Additional Revenue RevPAR Analysis (TrevPAR)	19	Segmentation Response Report - 2nd Comp	39
Segmentation Response Report	20	Help	40

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Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set

Ace Hotel New York 20 W 29th St New York, NY 10001-4502 Phone: (212) 679-2222

STR # 58097 ChainID: MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

December 2019

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	77.8	88.7	87.7	331.81	350.18	94.8	258.09	310.45	83.1
Year To Date	84.6	86.7	97.6	270.39	307.16	88.0	228.81	266.20	86.0
Running 3 Month	82.8	89.4	92.6	316.96	342.01	92.7	262.33	305.72	85.8
Running 12 Month	84.6	86.7	97.6	270.39	307.16	88.0	228.81	266.20	86.0

December 2019 vs. 2018 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-14.9	4.7	-18.7	3.7	-2.2	6.0	-11.8	2.4	-13.9
Year To Date	-7.1	0.6	-7.7	-5.8	-4.4	-1.4	-12.4	-3.8	-9.0
Running 3 Month	-10.4	2.6	-12.7	-4.3	-6.6	2.4	-14.2	-4.1	-10.5
Running 12 Month	-7.1	0.6	-7.7	-5.8	-4.4	-1.4	-12.4	-3.8	-9.0

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Tab 3 - STAR Summary - My Property vs. Comp Set and Industry Segments

Ace Hotel New York 20 W 29th St New York, NY 10001-4502 Phone: (212) 679-2222

STR # 58097 ChainID: MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Occupancy (%)

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Ace Hotel New York	77.8	-14.9	84.6	-7.1	82.8	-10.4	84.6	-7.1
Market: New York, NY	88.5	1.2	86.2	-1.1	88.7	-0.4	86.2	-1.1
Market Class: Upper Upscale Class	88.8	1.1	85.8	-0.6	89.2	-0.4	85.8	-0.6
Submarket: Midtown South, NY	90.6	1.0	88.0	-0.8	90.6	-0.1	88.0	-0.8
Submarket Scale: Upscale Chains	90.7	0.4	89.1	-0.5	90.9	-0.6	89.1	-0.5
Competitive Set: Competitors	88.7	4.7	86.7	0.6	89.4	2.6	86.7	0.6

Supply

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Ace Hotel New York	0.0	0.0	0.0	0.0
Market: New York, NY	4.5	3.8	4.3	3.8
Market Class: Upper Upscale Class	2.1	2.1	2.3	2.1
Submarket: Midtown South, NY	10.9	6.4	9.2	6.4
Submarket Scale: Upscale Chains	13.2	5.0	9.4	5.0
Competitive Set: Competitors	0.0	0.0	0.0	0.0

Average Daily Rate

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Ace Hotel New York	331.81	3.7	270.39	-5.8	316.96	-4.3	270.39	-5.8
Market: New York, NY	303.24	0.0	255.16	-2.4	289.80	-3.7	255.16	-2.4
Market Class: Upper Upscale Class	335.30	1.4	280.72	-2.6	319.76	-3.1	280.72	-2.6
Submarket: Midtown South, NY	278.72	1.2	234.05	-1.4	267.08	-3.1	234.05	-1.4
Submarket Scale: Upscale Chains	287.77	-0.3	243.72	-1.8	277.36	-4.0	243.72	-1.8
Competitive Set: Competitors	350.18	-2.2	307.16	-4.4	342.01	-6.6	307.16	-4.4

Demand

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Ace Hotel New York	-14.9	-7.1	-10.4	-7.1
Market: New York, NY	5.8	2.6	3.8	2.6
Market Class: Upper Upscale Class	3.2	1.5	1.9	1.5
Submarket: Midtown South, NY	12.0	5.6	9.1	5.6
Submarket Scale: Upscale Chains	13.7	4.4	8.8	4.4
Competitive Set: Competitors	4.7	0.6	2.6	0.6

RevPAR

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Ace Hotel New York	258.09	-11.8	228.81	-12.4	262.33	-14.2	228.81	-12.4
Market: New York, NY	268.39	1.2	220.06	-3.5	256.92	-4.1	220.06	-3.5
Market Class: Upper Upscale Class	297.70	2.6	240.85	-3.1	285.17	-3.5	240.85	-3.1
Submarket: Midtown South, NY	252.40	2.2	206.00	-2.2	241.92	-3.2	206.00	-2.2
Submarket Scale: Upscale Chains	261.05	0.1	217.16	-2.3	252.09	-4.6	217.16	-2.3
Competitive Set: Competitors	310.45	2.4	266.20	-3.8	305.72	-4.1	266.20	-3.8

Revenue

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Ace Hotel New York	-11.8	-12.4	-14.2	-12.4
Market: New York, NY	5.8	0.2	0.0	0.2
Market Class: Upper Upscale Class	4.7	-1.1	-1.2	-1.1
Submarket: Midtown South, NY	13.4	4.0	5.7	4.0
Submarket Scale: Upscale Chains	13.3	2.5	4.4	2.5
Competitive Set: Competitors	2.4	-3.8	-4.1	-3.8

Census/Sample - Properties & Rooms

	Census		Sample		Sample %
	Properties	Rooms	Properties	Rooms	Rooms
Market: New York, NY	703	127732	503	111080	87.0
Market Class: Upper Upscale Class	120	33432	111	31844	95.3
Submarket: Midtown South, NY	135	28141	111	25751	91.5
Submarket Scale: Upscale Chains	53	13738	48	12742	92.8
Competitive Set: Competitors	7	1775	7	1775	100.0

Pipeline

Market: New York, NY

Under Construction		Planning	
Properties	Rooms	Properties	Rooms
86	12933	51	8309

See Help page for pipeline definitions.

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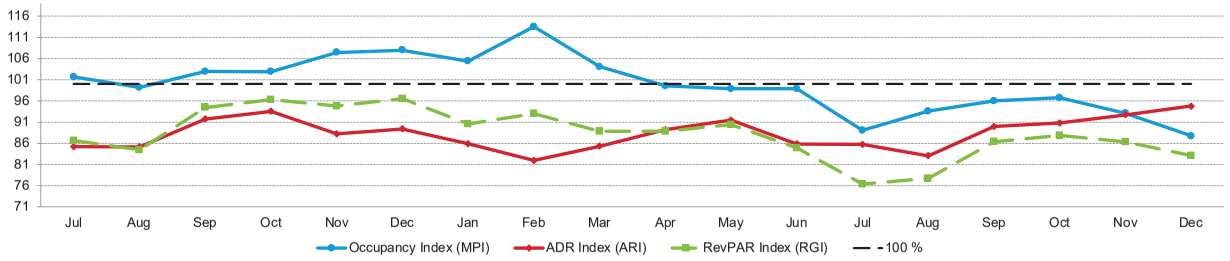
Tab 4 - Competitive Set Report

Ace Hotel New York 20 W 29th St New York, NY 10001-4502 Phone: (212) 679-2222

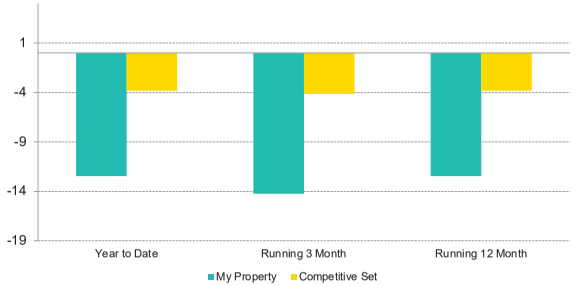
STR # 58097 ChainID: MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Monthly Indexes



RevPAR Percent Change



Occupancy (%)	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	87.9	90.2	90.4	93.1	92.6	91.4	76.2	88.9	87.1	89.0	87.6	89.6	79.2	84.4	85.9	89.0	81.5	77.8	92.4	91.1	84.6	91.3	92.4	82.8	92.4	91.1	84.6
Competitive Set	86.4	90.9	87.8	90.5	86.2	84.7	72.3	78.3	83.7	89.4	88.6	90.6	88.9	90.2	89.5	92.0	87.5	88.7	87.7	86.1	86.7	89.3	87.1	89.4	87.7	86.1	86.7
Index (MPI)	101.7	99.2	103.0	102.9	107.4	108.0	105.4	113.5	104.1	99.6	98.9	98.9	89.1	93.6	96.0	96.8	93.1	87.7	105.4	105.7	97.6	102.3	106.0	92.6	105.4	105.7	97.6
Rank	3 of 8	4 of 8	3 of 8	3 of 8	2 of 8	2 of 8	4 of 8	3 of 8	4 of 8	6 of 8	5 of 8	5 of 8	7 of 8	7 of 8	7 of 8	6 of 8	7 of 8	8 of 8	3 of 8	3 of 8	7 of 8	3 of 8	2 of 8	7 of 8	3 of 8	3 of 8	7 of 8
% Chg																											
My Property	-3.0	-0.5	-3.1	3.6	-0.5	0.3	-11.3	-4.5	-5.7	-5.0	-3.0	-3.1	-9.9	-6.4	-5.0	-4.4	-12.0	-14.9	-1.0	-1.4	-7.1	-1.6	1.1	-10.4	-1.0	-1.4	-7.1
Competitive Set	-2.6	1.0	-3.9	-0.9	-3.8	-2.8	-2.3	-0.3	-5.0	1.7	-1.3	2.4	2.9	-0.8	1.9	1.6	1.5	4.7	0.9	-1.8	0.6	1.8	-2.5	2.6	0.9	-1.8	0.6
Index (MPI)	-0.4	-1.5	0.9	4.5	3.4	3.2	-9.2	-4.3	-0.8	-6.6	-1.8	-5.3	-12.4	-5.6	-6.8	-6.0	-13.3	-18.7	-1.8	0.4	-7.7	-3.3	3.7	-12.7	-1.8	0.4	-7.7
Rank	4 of 8	5 of 8	4 of 8	1 of 8	2 of 8	3 of 8	7 of 8	4 of 8	6 of 8	7 of 8	7 of 8	7 of 8	8 of 8	7 of 8	8 of 8	8 of 8	8 of 8	8 of 8	5 of 8	5 of 8	7 of 8	7 of 8	1 of 8	8 of 8	5 of 8	5 of 8	7 of 8

ADR	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	253.94	244.18	348.04	367.70	304.39	320.06	196.16	190.22	226.94	281.32	308.12	279.28	238.82	229.48	335.05	326.64	291.38	331.81	283.98	286.89	270.39	324.10	331.12	316.96	283.98	286.89	270.39
Competitive Set	297.94	286.69	379.34	392.93	344.92	358.00	228.36	232.08	265.97	315.22	336.86	325.21	278.45	276.22	372.30	359.70	314.25	350.18	315.11	321.24	307.16	351.67	366.00	342.01	315.11	321.24	307.16
Index (ARI)	85.2	85.2	91.7	93.6	88.3	89.4	85.9	82.0	85.3	89.2	91.5	85.9	85.8	83.1	90.0	90.8	92.7	94.8	90.1	89.3	88.0	92.2	90.5	92.7	90.1	89.3	88.0
Rank	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	5 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8
% Chg																											
My Property	1.1	-0.5	-0.2	5.3	-0.9	1.3	-7.5	-7.0	-12.2	2.5	-10.3	-7.3	-6.0	-6.0	-3.7	-11.2	-4.3	3.7	0.0	1.0	-5.8	-0.4	2.2	-4.3	0.0	1.0	-5.8
Competitive Set	1.9	0.7	-0.3	5.5	2.2	4.1	-5.2	-3.6	-4.6	1.1	-4.9	-5.1	-6.5	-3.6	-1.9	-8.5	-8.9	-2.2	-0.9	1.9	-4.4	-0.4	4.1	-6.6	-0.9	1.9	-4.4
Index (ARI)	-0.7	-1.3	0.0	-0.1	-3.1	-2.7	-2.4	-3.4	-8.0	1.4	-5.6	-2.3	0.6	-2.5	-1.9	-3.0	5.1	6.0	0.9	-0.9	-1.4	0.0	-1.8	2.4	0.9	-0.9	-1.4
Rank	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	6 of 8	6 of 8	6 of 8	7 of 8	3 of 8	8 of 8	5 of 8	4 of 8	6 of 8	6 of 8	6 of 8	2 of 8	1 of 8	4 of 8	7 of 8	6 of 8	5 of 8	6 of 8	3 of 8	4 of 8	7 of 8	6 of 8

RevPAR	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	223.13	220.16	314.62	342.39	281.89	292.67	149.45	169.10	197.70	250.26	270.00	250.17	189.14	193.72	287.83	290.74	237.37	258.09	262.34	261.34	228.81	296.03	305.91	262.33	262.34	261.34	228.81
Competitive Set	257.42	260.61	332.98	355.51	297.29	303.18	165.02	181.73	222.55	281.66	298.58	294.65	247.57	249.08	333.14	330.81	274.91	310.45	276.29	276.72	266.20	314.13	318.89	305.72	276.29	276.72	266.20
Index (RGI)	86.7	84.5	94.5	96.3	94.8	96.5	90.6	93.0	88.8	88.9	90.4	84.9	76.4	77.8	86.4	87.9	86.3	83.1	94.9	94.4	86.0	94.2	95.9	85.8	94.9	94.4	86.0
Rank	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	5 of 8	5 of 8	5 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	7 of 8	6 of 8	6 of 8	6 of 8	5 of 8	5 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8
% Chg																											
My Property	-1.9	-1.0	-3.3	9.1	-1.4	1.6	-17.9	-11.2	-17.3	-2.6	-13.0	-10.1	-15.2	-12.0	-8.5	-15.1	-15.8	-11.8	-0.9	-0.4	-12.4	-2.0	3.3	-14.2	-0.9	-0.4	-12.4
Competitive Set	-0.8	1.8	-4.2	4.6	-1.7	1.2	-7.4	-3.9	-9.4	2.8	-6.1	-2.8	-3.8	-4.4	0.0	-6.9	-7.5	2.4	0.0	0.2	-3.8	1.4	1.5	-4.1	0.0	0.2	-3.8
Index (RGI)	-1.1	-2.7	0.9	4.4	0.3	0.4	-11.4	-7.5	-8.7	-5.3	-7.3	-7.5	-11.9	-7.9	-8.6	-8.7	-8.9	-13.9	-0.9	-0.5	-9.0	-3.4	1.8	-10.5	-0.9	-0.5	-9.0
Rank	5 of 8	6 of 8	3 of 8	2 of 8	5 of 8	4 of 8	7 of 8	5 of 8	6 of 8	5 of 8	7 of 8	8 of 8	8 of 8	7 of 8	8 of 8	8 of 8	8 of 8	8 of 8	5 of 8	7 of 8	8 of 8	7 of 8	3 of 8	8 of 8	5 of 8	7 of 8	8 of 8

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Tab 5 - Response Report

Ace Hotel New York 20 W 29th St New York, NY 10001-4502 Phone: (212) 679-2222
STR # 58097 ChainID: MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020

This Year

Dec 23rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas Day
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

Last Year

Dec 3rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

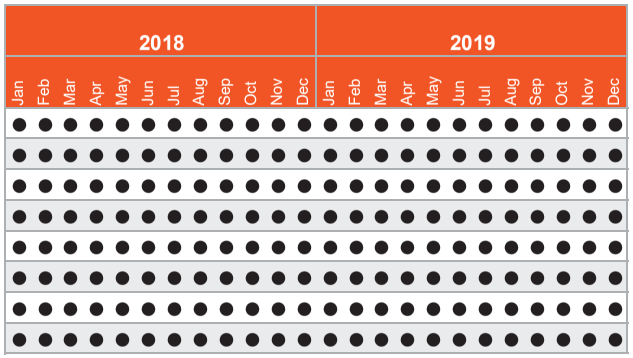
December 2019 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December 2018 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
58097	Ace Hotel New York	New York, NY	10001-4502	(212) 679-2222	285	200905
37055	The Roger Williams	New York, NY	10016-7057	(212) 448-7000	194	192006
39350	The Redbury New York	New York, NY	10016-7902	(212) 689-1900	259	200101
40938	W Hotel New York Union Square	New York, NY	10003-1601	(212) 253-9119	270	200011
60503	Kimpton Hotel Eventi	New York, NY	10001-4101	(212) 564-4567	292	201005
60676	Royalton Park Avenue Hotel	New York, NY	10016-8403	(212) 317-2900	249	201008
61351	Dream Downtown	New York, NY	10011-5902	(212) 229-2559	314	201106
62256	Refinery Hotel	New York, NY	10018-3818	(646) 664-0310	197	201305
					2060	



Data received:
○ = Monthly Only
● = Monthly & Daily

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LWHA
LW HOSPITALITY ADVISORS

200 West 41st Street, Suite 602
New York, NY 10036
Phone: 212.300.6684

December 19, 2019

William M. Barrett
Chief Financial Officer
GFI Capital Resources Group, Inc.
140 Broadway 41st Floor
New York, NY 10005
O: 212.837.4580
F: 646.542.1394
E: wbarrett@gficap.com

RE: Professional Services Agreement

Ace Hotel, 20 W 29th St, New York, NY 10001
Ace Hotel & Swim Club, 701 E Palm Canyon Dr, Palm Springs, CA 92264
Crowne Plaza JFK Airport NYC, 138-10 135th Ave, Jamaica, NY 11436
Hilton Greenville, 45 W Orchard Park Drive, Greenville, SC 29615
The Beekman, a Thompson Hotel, 123 Nassau St, New York, NY 10038
The James New York – NoMad, 22 E 29th St, New York, NY 10016

Dear Mr. Barrett:

Pursuant to your request, we are pleased to submit this proposal for the services of LW Hospitality Advisors in connection with the above referenced properties. This letter sets forth a description of the objectives and scope of the assignment, along with the methodology to be employed, an estimate of the time requirements, a schedule of professional fees, specific properties data request ("Exhibit A") our Terms and Conditions ("Exhibit B"), and Assumptions & Limiting Conditions ("Exhibit C").

PARTIES TO THIS AGREEMENT

The undersigned, LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC or LW-FL LLC (at all times herein "LWHA") and GFI Real Estate Limited (at all times herein "Client").

SUBJECT OF THE ASSIGNMENT

The properties to be studied are referenced above (at all times herein "Subject Properties" or "Hotel").

OBJECTIVE AND SCOPE OF SERVICES

The objective of this assignment is to perform six individual Appraisals in order to provide the Client with our opinion of the market value of the Fee Simple or Leasehold interests in the Subject Properties.

Our work will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Ethics and Certification Standards of the Appraisal Institute, and Supplemental Standards. In addition, the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a Federally-regulated financial institution must be the Client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the Client is governed by FIRREA, this appraisal will meet all applicable requirements. The scope of work necessary to accomplish the above assignment will include the tasks outlined in the following pages.

This is an Appraisal Report that is intended to comply with the reporting requirements set forth und Standards Rule 2-2 of USPAP and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, the definition of value in this appraisal fits the definition of Fair Value as defined in IFRS 13 and IAS revaluation model.

The depth of analysis discussed in this report is specific to the needs of the client and for the intended use.

We consent to use of the appraisal in its entirety for filing of GFI Real Estate Limited's financial statements with the ISA. LWHA® gives full consent to the inclusion of the appraisal report in its entirety within the Client's public reports to be published in the Tel Aviv Stock Exchange.

The Client for this engagement is GFI Real Estate Limited. This appraisal is performed **strictly** for financial reporting and financial reporting ancillary purposes in accordance with IFRS 13, Fair Value Measurement and IAS 40, Investment Properties. This appraisal has been conducted to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation and Code of Professional Ethics of the Appraisal Institute.

LWHA will analyze the market conditions under which the subject properties is likely to operate, and assess market forces, demand trends, and any external factors that may affect future hotel operations in the subject market area. In addition, LWHA will evaluate the potential attainable demand levels for the subject properties and estimate its future financial performance.

INTENDED USE AND INTENDED USERS

The Client for this engagement is GFI Real Estate Limited.

The aggregate valuation in its entirety may be used for (i) financial reporting, (ii) quarterly and annual reports and (iii) the preparation of a prospectus, and we confirm that we have given our consent to the inclusion of the aggregate valuation in its entirety with the financial reports, quarterly and/or annual reports and a prospectus, as applicable, and no other intended use is permitted.

The intended users are the Client, its affiliates and subsidiaries, and each of their respective external and internal auditors, accountants, attorneys, offices, managers, members, agents, employees, and directors, solely in each case, relating to the Intended Use. There are no other intended users. No other user may rely on our report, as specifically indicated in the report.

The intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisals, but the appraiser, ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions, and conclusions developed in the appraisals in a manner that is clear and understandable for the intended users, Parties who receive or might receive a copy of the appraisal are not necessarily intended users, The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.

PURPOSE, PREMISE, AND DATE OF VALUE

LWHA will prepare an opinion of the AS IS market value of the Fee Simple or Leasehold Interest in the Subject Properties as of December 30, 2019.

ENGAGEMENT APPROACH

To meet the assignment objectives, LWHA proposes the following work steps.

Extent to Which the Properties is Identified

LWHA will collect the relevant physical characteristics about the subject via a physical identification and inspection of the properties. The physical properties will be legally identified through its postal address, assessor's records, the provided legal description and the provided title report. Economic characteristics of the subject will be identified via an analysis of historical operating statements.

Extent to Which the Properties is Inspected

LWHA will, to the extent feasible, conduct a physical inspection of both the interior and exterior of the subject properties, as well as its surrounding environs.

Type and Extent of the Data Researched

LWHA will consider the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This knowledge will be expanded through telephone interviews with regional and/or local market participants, available published data and other various resources. LWHA will also conduct regional and/or local research with respect to applicable tax data, zoning requirements, demographics, income and expense data, and comparable listing, sale and rental information.

Type and Extent of Analysis Applied

LWHA will analyze the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable

approach to value. LWHA will then correlate and reconcile the results into a reasonable and defensible value conclusion, and estimate a reasonable exposure time and marketing time associated with the value opinions presented.

PROFESSIONAL FEES

The fee for this assignment shall be [redacted] authorization to proceed with the assig[redacted] upon submission of draft appraisal report.

Payment of the fee(s) is not contingent on an outcome of the appraisal, a loan closing, or any other prearranged condition.

Please provide written confirmation of an electronic transfer when payment is made. Wiring instructions are as follows:

Signature Bank
Routing # 026013576
LWHA Account# 1502151025

It is our normal policy to provide a draft copy of our report for your review. Upon your approval of this draft, we will commence preparation of the final report, which will be delivered to you when our invoice for services has been paid in full. The final report will be delivered in electronic format.

In the event after commencing the assignment it becomes necessary to alter the parameters of the study, such as the properties description; assumed date(s); financial, management, or ownership structure; or any other factor which could change the final conclusions, LWHA will be entitled to charge an additional fee based upon our current per-diem rates and the time required to incorporate the necessary changes into our analysis and report. In addition, the estimate of timing will be extended by an amount equal to the added work. In advance of commencing any additional work as outlined above, Client will be notified in writing with a request to confirm the agreed upon scope of additional work and additional fee.

Additional fees will also be charged on an hourly basis for any work which exceeds the scope of this proposal, including performing additional research, analysis and/or alternate scenarios; reviewing other studies and documents related to the properties; telephone calls and/or meetings with any party which we believe goes beyond the time generally expended during the course of an assignment of this nature; and attending out-of-town meetings.

Hourly rates of professional staff are as follows President - $750; COO - $650; Managing Director - $550; Senior Vice President - $500; Vice President - $450; Senior Associate - $400; Associate - $350. Any meeting or presentation not previously agreed to as being part of this assignment which requires any LWHA professional to travel out of the New York Metropolitan Area will be charged at a minimum per-diem rate of

$5,000. Hourly and per-diem rates will be charged at the rate in effect at the time that they occur, with travel billed at half time.

Notwithstanding the fee payment schedule set forth above, if at any time while performing this assignment it becomes necessary to suspend work for a period of thirty (30) days or more, then LWHA will be entitled to bill for the portion of the assignment completed up to the suspension (less any retainer paid) at its current per-diem rates.

TIMING

We agree to complete the assignment by January 31, 2020. The assignment process will initiate upon your signing this letter authorizing LWHA to proceed and returning it to us with the requested retainer and properties specific data.

EXPENSES

The professional fee quoted above is inclusive of all expenses except for any necessary Smith Travel Research (STR) Trend Reports. If a current STR Trend report for each properties is provided to us there will be no need for LWHA to purchase this data.

CONDITIONS REGARDING USE OF LWHA's REPORT AND WORK PRODUCT

The overall definition and scope of the work to be performed, and its adequacy in addressing client's needs, is the responsibility of client. Client shall perform all management functions and make all management decisions in connection with LWHA's services, and shall assign a competent individual to oversee LWHA's services. Client is responsible for ensuring that all information we may reasonably require is provided on a timely basis and is accurate and complete. Client shall also notify us if it subsequently learns that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

LWHA's services outlined in this engagement letter will be based upon research, knowledge of the industry, and other data and sources available to us. Information provided by Client or others will be accepted without audit or verification and will be assumed to be correct.

The findings may contain financial information, estimates or opinions that represent the consultants' view of reasonable expectations at a particular point in time. However, such information, estimates or opinions will not be offered as predictions or as assurances that the particular level of income or profit will be achieved, or that events will occur. Actual results achieved during the period covered by the financial analyses will vary and the variations may be material.

Client acknowledges and agrees that even with LWHA's research expertise, the amount of publicly available information on the topics discussed herein will ultimately determine the amount of information LWHA can report on the topics.

The paucity of publicly available information shall not be construed as failure of LWHA to deliver the required work product under this engagement.

Client understands and acknowledges that the inability to secure meetings with competitors and industry participants, due to factors outside LWHA's control such as current economic conditions, companies' current financial situation, companies' current strategic priorities, or timing considerations, should not be construed as LWHA's failure to perform the scope of work described in this engagement letter.

Recognizing that LWHA's role is advisory, and in partial consideration for the services to be provided hereunder, Client agrees to indemnify LWHA and its respective partners, principals, affiliates, agents and employees (LWHA and each such person being an "Indemnified Party") pursuant to the provisions set forth in Sections 17, 18, and 19 of the attached Terms and Conditions.

LWHA makes no representations or warranties regarding the accuracy of the conclusions. LWHA's services shall remain subject to each of the conditions, limitations and assumptions stated therein.

Distribution of LWHA's report will be governed by the terms set forth in Section 21 of the attached Terms and Conditions.

You acknowledge that any opinions and conclusions expressed by the LWHA professionals during this assignment are representations made as employees and not as individuals. LWHA's responsibility is limited to the client, and use of our product by third parties shall be solely at the risk of the client and/or third parties.

If LWHA or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, LWHA will use reasonable efforts to notify the Client of our receipt of same. However, if LWHA are not a party to these proceedings, Client agrees to compensate LWHA or its affiliate for the professional time and reimburse LWHA for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. LWHA will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony. Client specifically authorizes LWHA to disclose information relating to this assignment, including information which may be considered confidential, to third persons as reasonably necessary to LWHA's response to or defense of threatened or actual legal or regulatory actions.

Consulting assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent service related to a consulting assignment (such as an appraisal, updates, conferences, reprints or copy service) is contemplated, special arrangements acceptable to LWHA are to be made in advance. The assignment assumes market conditions as observed as of the current date of our research stated in the letter of transmittal. These market conditions are believed to be correct; however, the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.

Client acknowledges and agrees that LWHA may from time to time be engaged in providing services to others, which are similar to those to be provided to Client hereunder. Client further agrees that such activities shall not in and of themselves

create any presumption that LWHA's obligations under this Agreement have not been honored.

The attached Terms and Conditions (Exhibit A) and Specific Properties Data Request (Exhibit B) are deemed a part of this agreement as though set forth in full herein. In addition to all other terms and conditions of this agreement, LWHA and Client agree that LWHA's services under this agreement and Appraisal report, and any use of the Appraisal report are subject to the statements, limiting conditions and other terms set forth in the Appraisal report. LWHA's standard statements, limiting conditions and terms are attached to this agreement as Exhibit C and incorporated herein. LWHA may determine additional conditions and terms affecting the Appraisal during performance of the assignment which may be identified in the report.

ENGAGEMENT ACCEPTANCE

If you are in agreement with the conditions regarding the use of LWHA's work product, please sign the enclosed copy of this letter and return it to LWHA. Acceptance of this engagement letter is subject to LWHA's normal client acceptance procedures. A final invoice will be submitted upon the completion of our draft report, and is payable upon presentation.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

LW HOSPITALITY ADVISORS LLC

Evan Weiss

Evan Weiss
Chief Operating Officer, Principal
Telephone: 212.300.6684 x102
E Mail: evan.weiss@lwhadvisors.com

AGREED AND ACCEPTED FOR:

GFI HOSPITALITY, LLC

Signature	Date
William M. Barrett	CFO
Name	Title
212 837-4580	
Phone Number	Fax Number
WBarrett@GFICAP.com	
E-Mail Address	

LWHA
LW HOSPITALITY ADVISORS

Exhibit A: SPECIFIC PROPERTIES DATA REQUEST

In order to complete this assignment in the timely manner requested, LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC, or LW-FL LLC (at all times herein "LWHA") requests the following specific information for the properties, if available:

Properties Information

- Current title report and title holder name
- Plot plan, survey and legal description
- Detailed properties description
- Building architectural plans and specifications, including square footage for all improvements and rooms
- Engineering and environmental reports
- Past feasibility or market studies, appraisals, impact studies, prospectuses
- Smith Travel STAR and Trend reports
- Latest marketing plan
- Sales and marketing brochures
- Any relevant information gathered by third party sources that would aid in our analysis

Financials

- Details regarding original or proposed construction (Hard and Soft) and site acquisition costs
- Historical capital expenditures for the past five years
- Proposed capital expenditures for next five years
- Income and expense statements with full supporting schedules for the past three calendar years, and year to date (EXISITING HOTELS ONLY)
- Average occupancy and ADR by month for the past three calendar years, and year to date (EXISTING HOTELS ONLY)
- Income and expense projections and forecasts with full supporting schedules, if available

Contracts and Lease Agreements

- Any leases encumbering leased spaces
- Franchise and/or management agreements, including fee calculation
- Union agreements, service contracts, reservation reports, inspection reports
- Latest real and personal properties tax bills
- Terms of any current or recent purchase, sale, or leasing of the subject properties including options and listings. Terms required: price, date and financing. Include a copy of the contract and closing statements
- Detailed ownership history of the subject properties for the last five years
- Name and telephone number of contact person to arrange for overview discussion of each properties
- Ground lease, if applicable

Exhibit B: TERMS AND CONDITIONS

The report prepared by LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC or LW-FL LLC (at all times herein "LWHA") and all of its work in connection with this assignment is subject to the limiting conditions and all other terms stated in the report. Any use of LWHA's work by any party, regardless of whether such use is authorized or intended by LWHA, constitutes acceptance of all such limiting conditions and terms.

1. These Terms and Conditions, between LWHA and the Client for whom the referenced appraisal service will be performed, shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the State of New York.
2. Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the consulting/appraisal report.
3. Final payment is due and payable upon delivery of the final report or within thirty (30) days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.
4. If we are requested to give court testimony, an additional fee will be charged on an hourly basis at our then-prevailing hourly rate. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
5. In the event Client requests additional services beyond the purpose stated in the Agreement, Client agrees to pay an additional charge for such services, plus reimbursement of expenses, whether or not the completed report has been delivered to Client at the time of the request.
6. It is understood that the Client has the right to cancel this assignment at any time prior to delivery of the completed report. In such event, the Client is obligated only for the pro-rated share of the fee based upon the work completed and expenses incurred.
7. Hard copies of the consulting/appraisal report are available at a cost of $250 per original color copy and $100 per photocopy (black and white), plus shipping cost of $30 per report.
8. If payment for professional fees and out-of-pocket research, travel, and related expenses is not received within thirty (30) days of the billing date, LWHA reserves the right to suspend all work until payment is made and apply a service charge of 1.5 percent per month or fraction thereof to the total unpaid sum. It is further agreed that in the event legal action becomes necessary to enforce collection of bills rendered, you will be responsible for all collection costs, including, but not limited to, court costs and reasonable legal fees. It is understood that LWHA may extend the time for payment on any part of billings rendered without affecting the understanding outlined above.
9. LWHA assumes that there are no major or significant items that would require the expertise of a professional building contractor or engineer. If such items need to be considered in LWHA's study, such services are to be provided by others at a cost which is not a part of the fee proposal.
10. In the event of any dispute between Client and LWHA relating to this Agreement, or LWHA's or Client's performance hereunder, LWHA and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the State of New York. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party its expenses, including the costs of arbitration proceeding, and reasonable attorney's fees.

11. Client acknowledges that LWHA is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This assignment shall be deemed concluded and the services hereunder completed upon delivery to Client of the consulting/appraisal report discussed herein.
12. All statements of fact in the report which are used as the basis of the LWHA's analyses, opinions, and conclusions will be true and correct to the best of the LWHA's knowledge and belief. LWHA does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Properties furnished to LWHA by Client.
13. LWHA shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the properties analyzed.
14. Client shall provide LWHA with such materials with respect to the Assignment as are reasonably requested by LWHA and in the possession or under the control of Client. Client shall provide LWHA with sufficient access to the real properties to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
15. The data gathered in the course of the assignment (except data furnished by Client) prepared pursuant to the Agreement are, and will remain, the properties of LWHA. The report will be properties of the Client. With respect to data provided by Client, LWHA shall not violate the confidential nature of the consultant-client relationship by improperly disclosing any confidential information furnished to LWHA. Notwithstanding the foregoing, LWHA is authorized by Client to disclose all or any portion of the report and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable LWHA to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
16. Unless specifically noted in the Appraisal, we will not be taking into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof. Further, LWHA understands that there is no major or significant deferred maintenance in the properties which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of this fee proposal.
17. Client shall indemnify and hold LWHA fully harmless against any loss, damages, claims, or expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), and for which recovery is sought against LWHA by that third party; however, such obligation to defend and indemnify shall not apply if the claim or cause of action is based upon or arises in any way out of an act, failure to act or representation of LWHA. Client shall indemnify and hold LWHA harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party.
18. LIMITATION OF LIABILITY. EXCEPT FOR THE HOLD HARMLESS PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER. EXCEPT FOR THE HOLD HARMLESS PROVISION ABOVE, IN NO EVENT WHATSOEVER SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR DIRECT DAMAGES UNDER THE AGREEMENT OR ANY OTHER DAMAGES WHATSOEVER EXCEED IN THE AGGREGATE THE SUM OF TEN THOUSAND DOLLARS ($10,000.00).
19. You acknowledge that any opinions, recommendations, and conclusions expressed during this assignment will be rendered by the staff of LWHA, acting solely as employees and not as individuals. Any responsibility of LWHA is limited to the client, and use of our product by third parties shall be solely at the risk of the client and/or third parties.
20. The study described in this proposal will be made subject to certain assumptions and limiting conditions. A copy of our normal assumptions and limiting conditions will be provided upon request. If in the sole opinion of LWHA it becomes necessary to add additional assumptions and limiting

conditions in order to properly characterize and represent our conclusions, these additional assumptions and limiting conditions will become a part of our final report.

21. Please note that LWHA's consent to allow the Appraisal report or portions of the report, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at LWHA's reasonable discretion and, if given, will be on condition that LWHA will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content by a party satisfactory to LWHA.

Exhibit C: ASSUMPTIONS AND LIMITING CONDITIONS

The report prepared by LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC or LW-FL LLC (LWHA) and all of its work in connection with this assignment is subject to the limiting conditions and all other terms stated in the report. Any use of LWHA's work by any party, regardless of whether such use is authorized or intended by LWHA, constitutes acceptance of all such limiting conditions and terms.

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the properties or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LWHA is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. LWHA, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real properties.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the properties or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the properties or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. LWHA professionals are not engineers and are not competent to judge matters of an engineering nature. LWHA has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of LWHA by ownership or management; LWHA inspected less than 100% of the entire interior and exterior portions of the improvements; and LWHA was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the properties and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, LWHA reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the properties, was not observed by the appraisers. LWHA has no knowledge of the existence of such materials on or in the properties. LWHA, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the properties. The value estimate is predicated on the assumption that there is no such material on or in the properties that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real properties, have been disregarded with only real properties being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to LWHA. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, properties owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, LWHA has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, LWHA reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify LWHA of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, LWHA will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. LWHA assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. LWHA is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the properties, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. LWHA does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of LWHA
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of LWHA to buy, sell, or hold the properties

at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The properties is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of LWHA nor may this report or copies hereof be transmitted to third parties without said consent, which consent LWHA reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of LWHA which consent LWHA reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the properties or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this properties. LWHA shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire properties, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other properties or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to LWHA unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. LWHA assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor LWHA assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the

same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

20. LWHA assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the properties was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LWHA has not made a specific compliance survey and analysis of this properties to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the properties together with a detailed analysis of the requirements of the ADA could reveal that the properties is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since LWHA has no specific information relating to this issue, nor is LWHA qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by LWHA or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us.

APPRAISAL REPORT

OF

The Beekman - A Thompson Hotel

123 Nassau Street
New York, New York County, New York 10038

Prepared For

GFI Real Estate Limited

Mr. William M. Barrett
Chief Financial Officer
GFI Capital Resources Group, Inc.
140 Broadway, 41st Floor
New York, NY 10005

LWHA® Job No.: 20-NY-005E

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March 19, 2020

Mr. William M. Barrett
Chief Financial Officer
GFI Capital Resources Group, Inc.
140 Broadway, 41st Floor
New York, NY 10005

Re: Appraisal of The Beekman - A Thompson Hotel
123 Nassau Street
New York, New York County, New York 10038

LWHA® Job No.: 20-NY-005E

Dear GFI Real Estate Limited,

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above-captioned property in an appraisal report dated March 19, 2020. The effective date of value is December 31, 2019.

The subject property consists of two parcels at 123 Nassau Street and 5 Beekman Street/115 Nassau Street, formerly identified as Block 90, Lots 14 and 16, respectively, in Lower Manhattan, New York. The subject site was formerly improved with one 9-story building (landmarked façade and a nine-story central atrium featuring Victorian iron railings) and 10-story annex building on former Block 90, Lot 14, which has been fully renovated and converted into an upscale, full-service independent hotel. The adjacent Lot 16 is currently improved with a newly constructed 46-story high-rise tower which connects to the adjacent building on floors 1 through 10 to comprise the 287-room hotel. The remaining upper floors of the new tower offer 68 private residential condominium units; all mechanical systems for both the hotel and residential components are located within the residential tower. The mixed-use property is branded as the Beekman Hotel & Residences. According to property ownership, Lots 14 and 16 were legally merged to form new condominium tax lots 1201 through 1269 for the entire mixed-use structure. Since January 1, 2017, the hotel component is identified as Lots 1201 and 1202.

The gut-renovation, redevelopment and construction of the subject hotel is complete as of the date of this report. The subject hotel commenced operations in mid-September 2016, featuring approximately 125 guestrooms per day on average, followed by the opening of the two ground-level restaurants and bar under separate lease agreements in October 2016 and November 2016, respectively. The remaining guestrooms and hotel facilities were reported to have been completed by September 30, 2017, based

upon discussions with property ownership and the developer. In addition, the subject hotel commenced operation of the cellar bar and lounge known as "The Alley Cat" in April 2018 under a lease agreement with one of the current operators at the subject property.

The 287-room hotel component is operated by Thompson Hotels, LLC, with facilities and amenities inclusive of two leased restaurants and bar, leased cellar bar/lounge, fitness center, minibar, and 4,700± square feet of dedicated meeting space. According to information provided by property ownership, the mixed-use building contains a total gross building area of 352,155± square feet, including approximately 192,251± square feet dedicated to the hotel component (excluding exterior spaces and shared mechanical/back-of-house space). Please note that in October 2018, Hyatt Hotels Corporation purchased Two Roads Hospitality, which owns the Thompson platform. As such, the subject hotel is anticipated to continue benefitting from the Hyatt reservation system and loyalty program.

In addition, the subject hotel has been granted the Industrial & Commercial Abatement Program (ICAP) tax benefits in November 2018. The ICAP Tax abatement program is a 12-year tax abatement which the tax liability is reduced by 100 percent of the exemption at $3,203,511 for the first eight years of the exemption period, then by a sliding scale of 20 percent per year for the remaining four years of the exemption period, resuming to 100 percent of tax liability beginning Year 13. The subject property is currently in the 3rd year of the 12-year tax abatement. As such, we have analyzed and projected cash flows for the subject property assuming no ICAP tax benefit in and have incorporated the present value of the potential ICAP benefit years in the discounted cash flow.

Note that LW Hospitality Advisors has prepared several appraisals of the subject property within the past three years of the date of this report.

The following appraisal is communicated via a full appraisal report and is an update of our previous full appraisal reports dated March 26, 2019, February 26, 2018 and February 1, 2017 and restricted appraisal reports dated February 5, 2018 and November 7, 2017.

The Client for this engagement is GFI Real Estate Limited. This appraisal is performed **strictly** for financial reporting and financial reporting ancillary purposes in accordance with IFRS 13, *Fair Value Measurement* and IAS 40, *Property, Plant & Equipment, Revaluation Model.* This appraisal has been conducted to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation and Code of Professional Ethics of the Appraisal Institute.

The aggregate valuation in its entirety may be used for GFI Real Estate Limited's (i) financial reporting, (ii) quarterly and annual reports and (iii) prospectus, as applicable, and we confirm that we have given our consent to the inclusion of the aggregate valuation in its entirety with the GFI Real Estate Limited's public financial reports, quarterly and/or annual reports and a prospectus, as applicable, including its financial statements for the year ended on December 31, 2019, to be published in the Tel Aviv Stock Exchange, and no other intended use is permitted.

In accordance with your request, LW Hospitality Advisors prepared an appraisal of The Beekman Hotel for the purpose of estimating its fair value as of the effective date of December 31, 2019.

As Is Market Value

As a result of our analysis, we are of the opinion that the market value of the fee simple interest of the subject hotel property, in its as is condition and subject to the assumptions and limiting conditions, certification and definitions, and extraordinary assumptions and hypothetical conditions, if any, as of December 31, 2019, is:

THREE HUNDRED SIXTEEN MILLION DOLLARS
$316,000,000 or $1,101,000 per room

Allocation of Market Value As Is		
Real Property	$306,313,750	97%
Personal Property	$9,686,250	3%
Business Value	$0	0%
Total	**$316,000,000**	**100%**

The "As Is" value includes the ICAP tax benefit present value of $20,490,708.

The opinion(s) of value include the land, the improvements and the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational. The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to the future behavior of consumers and the general economy, which are highly uncertain. However, it is inevitable that some assumptions will not materialize and unanticipated events may occur that will cause actual achieved operating results to differ from the financial analyses contained in this report and these differences may be material. Therefore, while our analysis was conscientiously prepared based on our experience and the data available, we make no warranty that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results may depend.

We did not ascertain the legal, engineering, and regulatory requirements applicable to the property, including zoning and other state and local government regulations, permits and licenses. No effort has been made to determine the possible impact on the property of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof. With respect to the market demand analysis, our work did not include analysis of the potential impact of any significant rise or decline in local or general economic conditions.

We believe, based on the assumptions employed in our cash flow, as well as our selection of investment parameters for the subject, that the value conclusion represents a market price achievable within 6 to 12 months exposure prior to the date of value.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the last day of our fieldwork, January 28, 2020.

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions.

Extraordinary Assumptions

Extraordinary Assumptions are assumptions which if found to be false could alter the resulting opinion or conclusion.

This report assumes that the subject property will continue to lease out food and beverage outlets to Keith McNally and Tom Colicchio (Craft Restaurants) on the ground floor of the building. According to information provided by property ownership, Craft Restaurants operates all food and beverage operations for the hotel, including Temple Court Restaurant, The Bar Room, The Alley Cat bar and lounge, room service and catering, with the exception of Keith McNally's leased space (operated as Augustine). Accordingly, we have compiled our projections assuming a leased food & beverage operation throughout the projection period.

The food and beverage lease agreement with Keith McNally stipulates the tenant's pro-rata share of property taxes. According to the abstract, and confirmed by property ownership, the tenant is assumed to pay its pro-rata share of property taxes throughout the term of the lease. There is a minimum of $10,000 per annum, but no threshold during the initial four lease years; however, commencing with the fifth lease year, the tenant's pro-rata share is limited to $20,000, increasing to $30,000 in lease years six through eight, followed by $40,000 in lease year nine, and increasing by 3.0 percent each year thereafter. This appraisal assumes such thresholds to be correct.

This report assumes that the subject property is encumbered by the management agreement with Thompson Hotels, LLC. For this appraisal, we did not receive the management agreement; however, we did receive and relied on the abstract. The in-place management agreement stipulates a base management fee of 3.0 percent of total hotel gross revenues, as well as 1.0 percent of gross revenues in respect of food and beverage operations, or in such case, the projected rental income. The management agreement also stipulates an additional 0.5 percent of gross revenues in respect of food and beverage operations such that the third-party operated food and beverage outlets have reached budget; however, given the uncertainty of budget figures, this appraisal does not incorporate the additional fee. The sales and marketing fee stipulated in the management agreement has been incorporated in our projection of sales and marketing expenses.

For purposes of calculating the incentive management fee, this appraisal assumes that the Owner's Invested Capital is $170,000,000 throughout the projection period; this figure was provided by ownership and has been assumed to be correct despite the discrepancy with the provided cost budget.

This appraisal assumes that the subject property will continue to benefit from the ICAP tax abatement program, in line with the terms provided by ownership. The tax benefit is further explained in the tax section of this appraisal report. If the term differs from what was provided, it may impact our analysis and as such we reserve the right to amend our conclusions.

The subject property includes the daily destination fee of $30.00 per night which commenced in mid-2019, which includes unlimited phone calls, unlimited wireless Internet access in public spaces and guestrooms, use of fitness center, complimentary coffee and tea, complimentary water bottles in guestrooms, complimentary newspaper, complimentary car service, priority reservations to food and beverage outlets at the subject property, priority entry and waived service fees to 9/11 Memorial Museum, and bike rentals. Based on our conversation with property management and considering the fees charged by comparable hotels, we have projected the daily destination fee to increase in the first projection year. For the purpose our analysis, we have increased the daily destination fee to $35.00 in the first projection year, and by 3.0 percent thereafter. In addition, we estimate capture will be approximately

75.0 percent of total occupied rooms, which is generally in line with the transient segmentation. We believe these projections to be reasonable based on the hotel's current capture rate as well as considering the fees charged by comparable hotels. We believe capture rate below 100 percent is reasonable due to typical agreements with corporate accounts and groups, which typically entail waiving of the destination fees.

According to property ownership, the subject property incurs Common Area Charges (CAM) related to operating the residential condominium units. For the purpose our appraisal, we assume the CAM charges to be in-place for the remainder of the projection period.

According to property ownership, the subject property's reserve for replacement has been reduced from 4.0 percent of total revenues to 3.0 percent of total revenues. Although requested, we were not provided with the updated management agreement. For the purpose of our appraisal, we assume the information provided to be accurate and have projected accordingly.

If any of the above extraordinary assumptions are not correct or additional comprehensive data is provided, there may have had an impact on our concluded opinion(s) of value. We reserve the right to amend our opinion(s) of value upon receipt of any additional information.

Hypothetical Conditions

Hypothetical Conditions are assumptions made contrary to fact, but which are assumed for the purpose of discussion, analysis, or formulation of opinions.

This appraisal employs no hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

LW Hospitality Advisors®

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Table of Contents

Photographs of the Subject Property 8
Location Maps 18
Executive Summary 19
Definitions 21
Assumptions & Limiting Conditions 25
Site Description 28
Zoning Data 31
Assessed Value and Real Estate Taxes 32
Improvements Description 36
Area Economic Analysis 39
Neighborhood Analysis 45
National Lodging Market Analysis 56
New York City Lodging Market Analysis 67
Competitive Lodging Market Analysis 73
Occupancy & Average Daily Rate Projections 75
Highest and Best Use Analysis 89
Valuation Process 91
Income Capitalization Approach 93
Sales Comparison Approach 130
Insurable Value 134
Reconciliation 135
Certification of the Appraisal 140
Addendum 141

Qualifications ..... Addendum
Appraiser Licenses ..... Addendum
STR Report ..... Addendum

Photographs of the Subject Property



Exterior (Front)



Hotel Entrance



Lobby



Registration Desk



Atrium



The Bar Room (Colicchio Lease)



The Bar Room (Colicchio Lease)



The Temple Court (Colicchio Lease)



Alley Cat (Colicchio Lease)



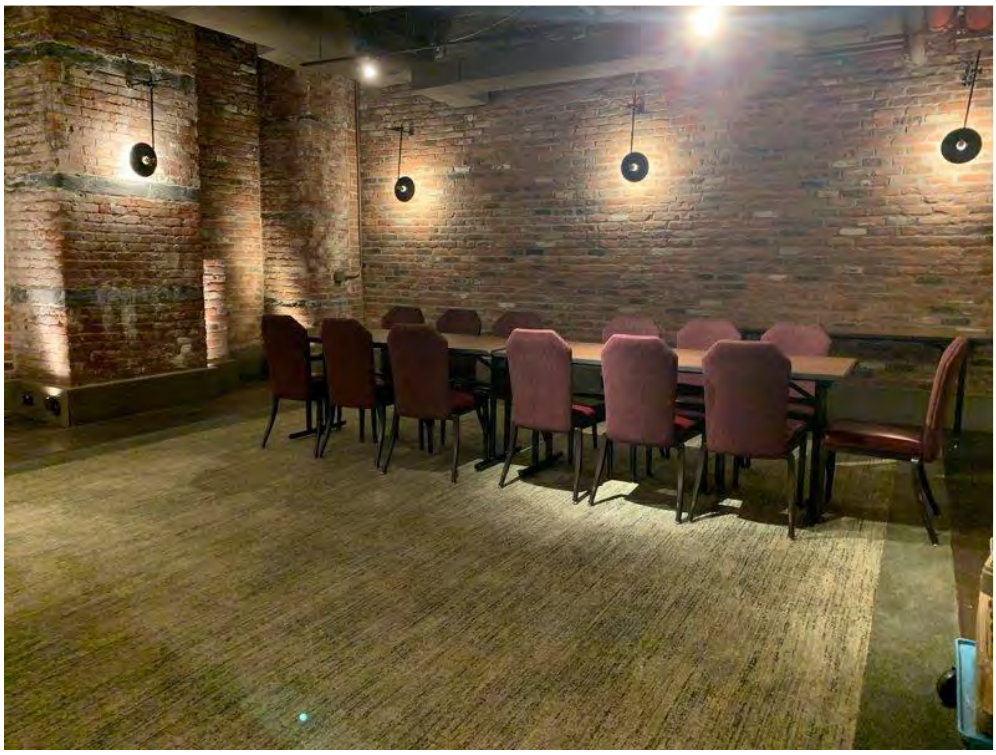
Augustine (McNally Lease)



Meeting and Event Space on Rooftop



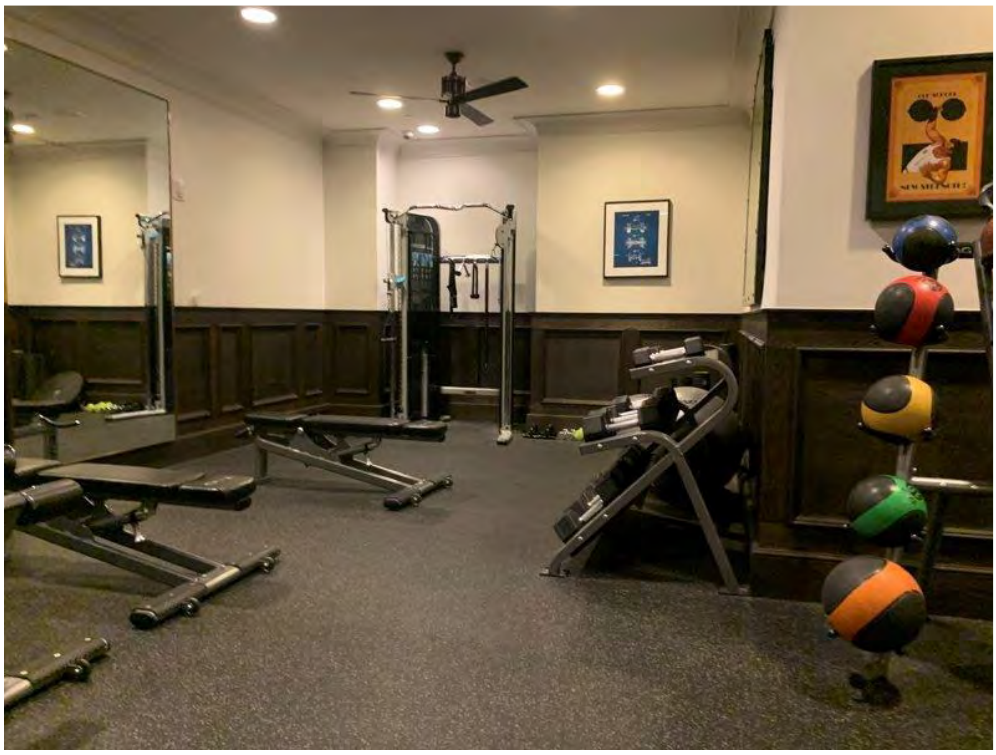
Meeting Space



Meeting Space



Fitness Center



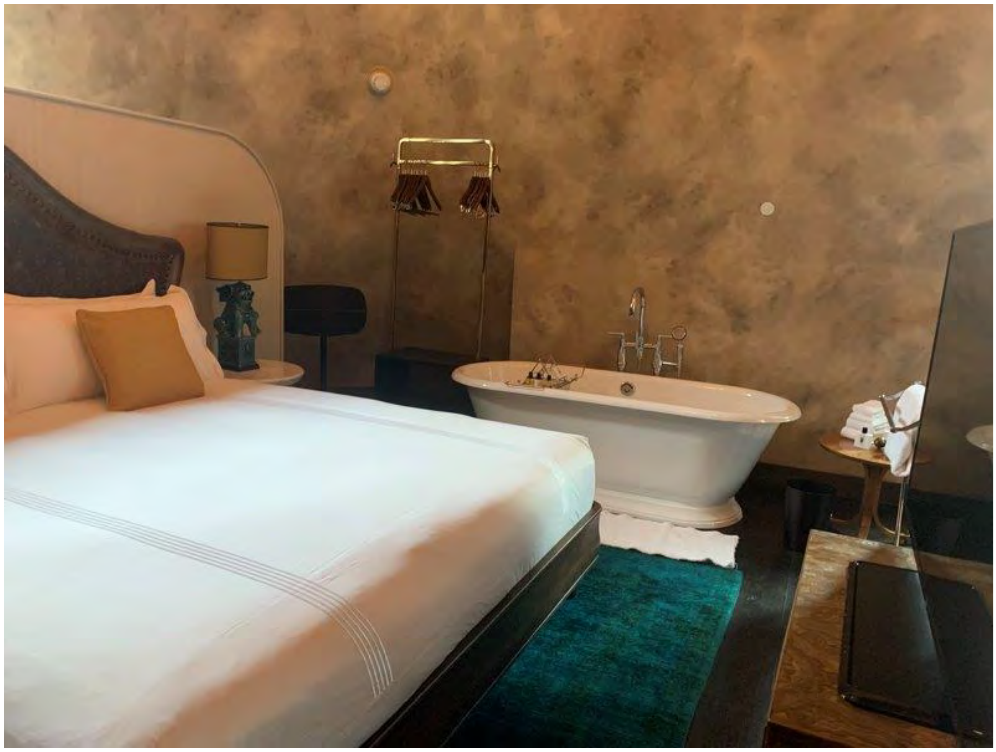
Fitness Center



Typical Guestroom



Typical Guestroom Suite



Penthouse Suite



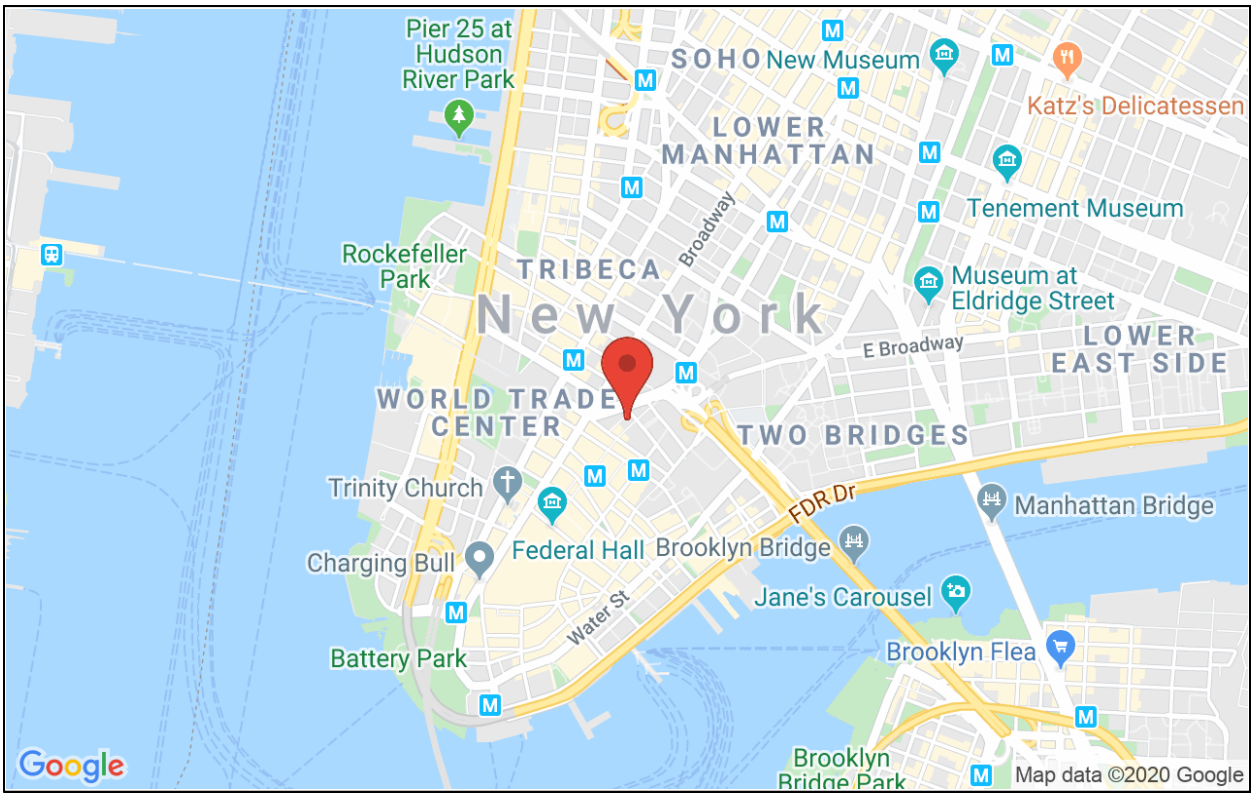
Penthouse Suite



Typical Guestroom Bathroom

Location Maps





Executive Summary

General Information	
Property Name	The Beekman, A Thompson Hotel
Address	123 Nassau Street
City	New York
County	New York County
State	New York
Zip Code	10038
Property Type	Full Service Luxury Hotel
Parcel Number	Block 90, Lots 1201 and 1202 (Former Block 90, Lots 14 and 16)
Interest Appraised	Fee Simple Interest
Inspected By	Danny Kim
Date of Inspection	January 28, 2020

Site & Improvements	
Site Area	0.46 Acres; 20,043 Sq. Ft.
Zoning District	C5-5, Commercial Zoning District
Flood Plain	Zone X, FEMA Flood Panel No. 3604970184F, September 5, 2007
Date Partially Opened	September 2016
Date Fully Opened	September 2017
No. of Rooms - Hotel Only	287
Gross Building Area (GBA) - Hotel Only	192,251 Sq. Ft.
Corridor Type	Interior
Property Condition	Excellent
Meeting Space	4,700 Sq. Ft.
Food & Beverage Outlets	The Bar Room (Leased) Temple Court (Leased) Augustine (Leased) The Alley Cat (Leased)

Franchise and Management Agreements	
Franchisor	n/a
Expiration	n/a
Manager	Thompson Hotels, LLC
Expiration	20th Anniversary of Opening Date; 5-Year Renewal *Assumed Encumbering

Highest and Best Use	
As If Vacant	Residential and/or Commercial Development
As Improved	As Currently Improved

Operating Statistics	
2019 Year End Occupancy	79.33%
Projected Year One Occupancy	82.00%
Projected Stabilized Occupancy	83.00%
2019 Year End ADR	$367.16
Projected Year One ADR	$389.19
Projected Stabilized ADR	$429.08
2019 Year End NOI - Adjusted	$12,002,909
Projected Year One NOI	$15,171,564
Projected Stabilized NOI	$17,878,054
Projected Stabilized Deflated NOI	$16,851,781
Implied Year End 2019 Cap Rate	3.80%
Implied Year One Cap Rate	4.80%
Implied Stabilized Cap Rate	5.66%
Implied Stabilized Deflated Cap Rate	5.33%
DCF Discount Rate As Is	8.00%
DCF Discount Rate As Stabilized	7.50%
DCF Terminal Cap Rate	6.00%

Value Conclusions

Value	Amount	Per Room	Date of Value
Income Capitalization Approach			
As Is	$316,000,000	$1,101,000	December 31, 2019
Includes ICAP Benefits	*$20,490,708*	*$71,396*	
Sales Comparison Approach			
As Is	$300,200,000 - $331,800,000	$1,046,000 - $1,156,000	December 31, 2019
Final Value Estimates			
As Is	**$316,000,000**	**$1,101,000**	**December 31, 2019**
Includes ICAP Benefits	***$20,490,708***	***$71,396***	

Definitions

Market Value

As defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows.

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby,

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leasehold Interest

The interest held by the lessee (the renter or tenant) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

Leased Fee Interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Marketing Time

1. The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.

2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool

of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time).

Exposure Time

1. The time a property remains on the market.

2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions").

Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values). See also marketing time.

As Is Value

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

Scope of Work

In preparing this appraisal, LWHA®:

- Inspected the interior and exterior of the subject, including site improvements, public areas, a representative sample of guestrooms, and back of house areas;
- Interviewed hotel management and representatives of its ownership;

- Reviewed the subject's historical operating and financial data, as well as industry statistics and the operating statistics of similar hotels;
- Inspected competitive properties, researched occupancies, average rates, and segmentation, and performed fair share projections for the subject. Data was obtained through interviews with on-site management and LWHA®'s internal database;
- Prepared detailed projections of occupancy, average daily rate, and operating expenses;
- Reviewed the in-place food and beverage lease agreements with Keith McNally and Tom Colicchio, as well as the management agreement with Thompson Hotels, LLC;
- Analyzed the impact of the potential ICAP tax benefits to Block 90, Lot 1201;
- Researched and analyzed recent comparable sales and offerings to determine capitalization and discount rates as well as indications of value per room;
- Reviewed the construction cost budget and allocation for the hotel component only;
- Considered the subject's replacement cost, accrued depreciation, and the relevancy to the subject valuation;
- Reconciled the applicable techniques to develop an opinion of value.

The following appraisal is communicated via a full appraisal report and is an update of our previous full appraisal reports dated March 26, 2019, February 26, 2018 and February 1, 2017 and restricted appraisal reports dated February 5, 2018 and November 7, 2017.

Property Ownership

5 Beekman Property Owner, LLC
(affiliates of GFI Development Company and GB Lodging, LLC)

Acquisition History

GFI Development Company and GB Lodging, LLC acquired the historic building on Block 90, Lot 14 for a reported $82,500,000 in March 2012. The building had been vacant for nearly a decade prior to the sale transaction.

GFI Development Company and GB Lodging, LLC also acquired the adjacent vacant site at Block 90, Lot 16 for a reported $21,500,000 in June 2012, which included the purchase of the additional air rights from Lot 14. Ownership subsequently converted the existing landmarked building on Lot 14 into an upscale hotel adjoining with the 46-story mixed-use hotel and residential tower on Lot 16.

As far as we are aware, there have been no sales of the subject property within the past three years, and the subject is not currently being marketed for sale.

Dates of Valuation	As Is: December 31, 2019
Date of Inspection	January 28, 2020
Inspection Performed By:	Danny Kim **Evan Weiss, MRICS and Jonathan Jaeger, MAI have inspected the subject property in conjunction with a previous assignment*
Operational Assumptions	The subject property commenced operations as a partially-opened hotel in September 2016. For purposes of this appraisal, based upon discussion with the property ownership and developer, the renovation and construction of the remaining guestrooms and hotel facilities were reported to have been completed by September 30, 2017. This appraisal assumes that the subject property will continue to operate as a 287-room, upscale independent hotel throughout the projection period. This appraisal assumes that the hotel is encumbered by the existing management agreement with Thompson Hotels, LLC. Accordingly, this appraisal assumes that Thompson Hotels will manage the independent hotel property for the duration of the projection period.
Property Rights Appraised	Fee Simple estate, including the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational.
Marketing and Exposure Period	We estimate the marketing time for the subject property to be approximately 6 to 12 months, based upon the PwC Real Estate Investor Survey as well as our interviews with knowledgeable owners and brokers. According to the most recent PwC Real Estate Investor Survey – First Quarter 2019, 6.7 months is the average marketing time for luxury hotels, 6.0 months for full-service hotels, 6.2 months for limited-service hotels and 4.9 months for select-service hotels. The exposure period, or retrospective time to expose the property prior to sale, is estimated to be 6 to 12 months.

Assumptions & Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LW Hospitality Advisors® (LWHA®) is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. LWHA®, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. LWHA® professionals are not engineers and are not competent to judge matters of an engineering nature. LWHA® has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of LWHA® by ownership or management; LWHA® inspected less than 100 percent of the entire interior and exterior portions of the improvements; and LWHA® was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, LWHA® reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. LWHA® has no knowledge of the existence of such materials on or in the property. LWHA®, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to LWHA®. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, LWHA® has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, LWHA® reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data,

relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify LWHA® of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, LWHA® will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. LWHA® assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. LWHA® is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. LWHA® does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of LWHA®.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of LWHA® to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
15. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
17. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to LWHA® unless otherwise stated within the body of this report. If LWHA® has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. LWHA® assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

18. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor LWHA® assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
19. LWHA® assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
20. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
21. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
22. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LWHA® has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since LWHA® has no specific information relating to this issue, nor is LWHA® qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
23. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.
24. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

Site Description

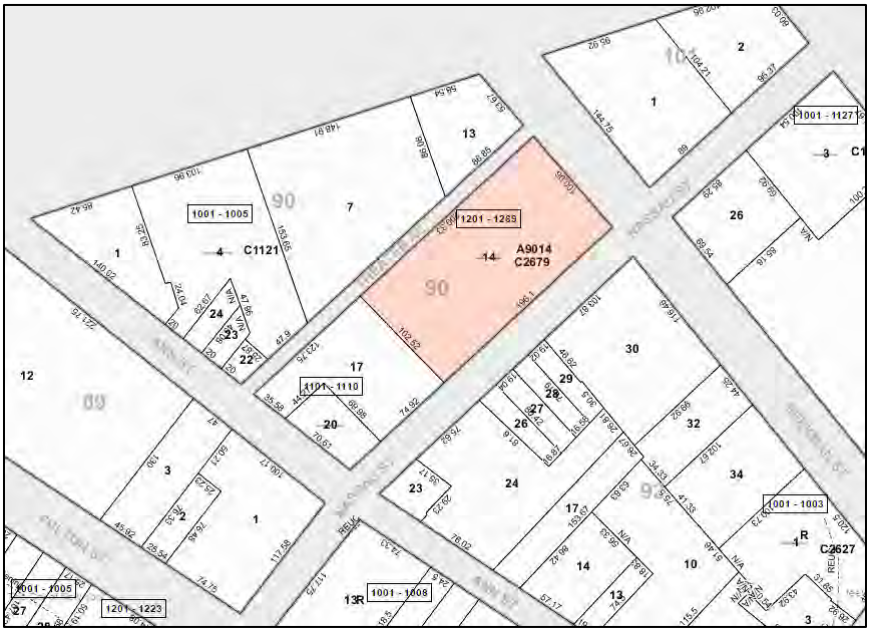
Location

The subject property is situated along the southwest corner of Beekman Street and Nassau Street in the Civic Center neighborhood of Lower Manhattan, New York.

Physical Address

The physical address of the hotel is 123 Nassau Street, New York, New York 10038. The hotel entrance is on both Beekman Street and Nassau Street, while the condominium entrance is located at 5 Beekman Street / 115 Nassau Street.

Tax Map



**Note that the subject sites were formerly identified as Block 90, Lots 14 and 16. According to property ownership, Lots 14 and 16 were legally merged to form new condominium tax lots 1201 through 1269 for the entire mixed-use structure. Since January 1, 2017, the hotel component is identified as Lots 1201 and 1202.*

Area

0.46± Acres; 20,043± Square Feet

Frontage

The subject site has approximately 100 feet of frontage on the southern side of Beekman Street and approximately 196 feet of frontage on the western side of Nassau Street.

Configuration

The site configuration is rectangular in shape.

Topography

The subject site's topography is generally level.

Utilities

Typical municipal utilities, including electricity, telephone, gas, water and sewer, etc.

Site Improvements

The subject site was formerly improved with one 9-story building (landmarked façade and a nine-story central atrium featuring Victorian iron railings) and 10-story annex building on former Block 90, Lot 14, which has been fully renovated and converted into an upscale, full-service independent hotel. The adjacent Lot 16 is currently improved with a newly constructed 46-story high-rise tower which connects to the adjacent building on floors 1 through 10 to comprise the 287-room hotel. The remaining upper floors of the new tower offer 68 private residential condominium units; all mechanical systems for both the hotel and residential components are located within the residential tower. The mixed-use property is branded as the Beekman Hotel & Residences. According to property ownership, Lots 14 and 16 were legally merged to form new condominium tax lots 1201 through 1269 for the entire mixed-use structure. Since January 1, 2017, the hotel component is identified as Lots 1201 and 1202.

Adjacent Uses

North: Commercial office and residential buildings

South: Commercial office and residential buildings

East: Commercial office and residential buildings

West: Commercial office and residential buildings

Access & Visibility

Access from surrounding areas is considered good. The subject is located adjacent to City Hall and the Brooklyn Bridge in the Financial District. The subway trains R, 4, 5 and 6 are accessible near City Hall/Brooklyn Bridge to the north of the subject site, as well as Fulton Street to the south of the property. The Fulton Street station also services subway trains A, C, 2, 3 and J. The subway trains A and C are also accessible at Chambers Street to the north, along with subway trains 2 and 3 located at the Park Place station and subway train E located at the World Trade Center station.

The subject is in close proximity to the World Trade Center PATH station, providing access to New Jersey. The Fulton Street Transit Center and the Santiago Calatrava-designed World Trade Center Transportation Hub, which opened in August 2016, is one of the largest transit hubs in the United States, linking 11 MTA subway lines and the PATH station.

Additionally, the neighborhood has good linkages to New York's highway infrastructure, such as FDR Drive. Parking in the neighborhood is considered scarce and expensive.

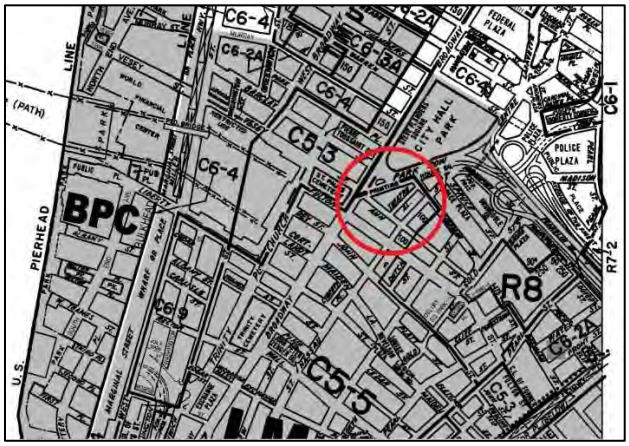
The subject has good visibility from the surrounding areas. The subject site is located on a corner lot at the intersection of Beekman Street and

	Nassau Street, is improved with a 46-story mixed-use building in a neighborhood of mostly low-rise landmarked buildings.
Easements	No adverse easements have been noted.
Flood Zone	The subject is situated in Zone X, according to Federal Emergency Management Agency Map Panel 3604970184F, effective September 5, 2007.
Hazardous Materials	Determining the presence of asbestos or hazardous materials at the subject is beyond the scope of this appraisal. The estimate of value derived herein is predicated on the subject being free of hazardous/toxic materials which may have an adverse impact on value. See Qualifying and Limiting Conditions in Addendum.
Comments	The subject's size and shape are typical for most developments in the area. There does not appear to be any excess land.

Zoning Data

The subject property is located within the C5-5, Commercial Zoning District, as determined by the City of New York.

C5 is a central commercial district with continuous retail frontage intended for offices and retail establishments that serve the entire metropolitan region. Famous shopping streets, such as Fifth Avenue, Madison Avenue and East 57th Street are C5 districts. Parts of Lower Manhattan, Downtown Brooklyn and Long Island City are also within C5 districts.



Zoning Summary	
Zoning Authority	City of New York
Zoning District	C5-5, Commercial Zoning District
Primary Permitted Uses	Department stores, large office buildings and mixed use buildings with residential space above or commercial floors, retail and service uses and hotels
Hotels Permitted	Yes
Zoning Change	No
Legally Conforming	Yes
Flood Plain	Zone X, FEMA Flood Panel No. 3604970184F, September 5, 2007
Category	**Zoning Requirement**
Permitted FAR	Commercial: 15.0 (FAR bonus up to 20 percent for public plaza); Residential 10.0
Parking Requirement	None
Comments	The subject is a permitted use and conforms to zoning and parking regulations.
Source: Zoning & Planning Department	

The current improvements appear to be a legal, conforming use, based on our review of public information and discussions with zoning officials. However, determination of compliance is beyond the scope of this real estate appraisal.

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

Assessed Value and Real Estate Taxes

The subject property is assessed and taxed by the City of New York on an ad valorem basis. Real property in New York State is not required to be assessed at 100 percent of market value. Reassessments may occur annually, and New York City has availed itself of a provision in the law that evenly phases in all assessed value increases over the five years. During the phase-in, the annual assessed values are "transitional values." The full reassessed value is the "actual" or "target value." The first transitional value is the original assessed value plus 20 percent of the difference between the original and target values. The 20 percent increments are added to each prior year's transitional value until the full target value is reached in the fifth year.

Throughout much of the 1980s in New York City, the sale of a property at market value would automatically trigger a reassessment, and the target value is usually set at 45 percent of the sales price. The city no longer applies the 45 percent figure to the sales price of the property. Currently, the policy of the city assessor is to review income and expense statements on an annual basis. The methodology of estimating market value by the assessor involves direct capitalization of the property's income, using rates that are applied to properties based upon geography and age. The 45 percent ratio is then applied to the assessor's determination of market value to derive a target assessment. In practice, the assessment ratio is often less than 45 percent.

As previously stated, the subject property was formerly identified as Block 90, Lots 14 and 16. Lot 14 was previously improved with a vacant building, while Lot 16 was assessed as vacant land until tax year 2015/2016. In the following tax year 2016/2017, the assessments increased to reflect a partially renovated building for hotel use on Lot 14, as well as the 46-story hotel and residential building under construction on Lot 16. The chart below displays the historical tax assessment information.

Ad Valorem Tax Information						
Taxing Authority	New York County					
		Actual	Actual	Actual	Actual	Estimate
Assessor's Taxable Value		2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Real Property: Block 90, Lot 14						
Actual Assessment						
Land		$1,543,050				
Improvement		$6,766,009				
Subtotal		$8,309,059				
Transitional Assessment						
Land		$1,543,050				
Improvement		$5,410,401				
Subtotal		$6,953,451				
Taxable Value		**$6,953,451**				
Real Property: Block 90, Lot 16						
Actual Assessment						
Land		$1,690,540				
Improvement		$30,316,050				
Subtotal		$32,006,590				
Transitional Assessment						
Land		$1,673,912				
Improvement		$30,316,050				
Subtotal		$31,989,962				
Taxable Value		**$31,989,962**				
Real Property: Block 90, Lots 1201						
Actual Assessment						
Land			$1,273,843	$1,273,843	$1,273,843	$1,273,843
Improvement			$31,717,440	$33,983,962	$34,400,389	$30,767,897
Subtotal			$32,991,283	$35,257,805	$35,674,232	$32,041,740
Transitional Assessment						
Land			$1,846,687	$1,703,476	$1,560,265	$1,417,054
Improvement			$46,016,563	$42,947,225	$39,961,172	$36,248,620
Subtotal			$47,863,250	$44,650,701	$41,521,437	$37,665,674
Taxable Value			**$32,991,283**	**$35,257,805**	**$35,674,232**	**$32,041,740**
Real Property: Block 90, Lots 1202						
Actual Assessment						
Land			$13,223	$13,223	$13,223	$13,223
Improvement			$329,244	$352,772	$357,095	$319,387
Subtotal			$342,467	$365,995	$370,318	$332,610
Transitional Assessment						
Land			$17,684	$17,684	$16,197	$14,710
Improvement			$479,162	$445,814	$414,817	$376,278
Subtotal			$496,846	$463,498	$431,014	$390,988
Taxable Value			**$342,467**	**$365,995**	**$370,318**	**$332,610**
Total Combined Actual Assessment			**$33,333,750**	**$35,623,800**	**$36,044,550**	**$32,374,350**

In order to evaluate the subject's improvements assessment going forward, we have reviewed the actual assessments of several of the subject's competitors and analyzed them on an assessment per room basis, as displayed below:

Ad Valorem Real Property Tax Comparables					
	Subject	1	2	3	4
	The Beekman, A Thompson Hotel	Thompson Hotels Gild Hall	The Roxy Hotel Tribeca	The Wagner at the Battery	Marriott New York Downtown
Year Built	2016	1999	2000	2002	1989
No. of Rooms	287	130	201	298	513
Tax Year	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
Land	$1,287,066	$1,800,000	$7,335,000	$4,183,414	$18,000,000
Improvement	$34,757,484	$9,661,950	$18,988,650	$44,669,486	$37,071,900
Total Assessed Value	$36,044,550	$11,461,950	$26,323,650	$48,852,900	$55,071,900
Per Room	$125,591	$88,169	$130,963	$163,936	$107,353

The above chart indicates the actual 2019/2020 assessments for each property. The comparables exhibit a wide range in actual assessment per room from $88,169 to $163,936, with an average per room assessment of approximately $122,605.

In addition, the subject hotel has been granted the Industrial & Commercial Abatement Program (ICAP) tax benefits in November 2018. The ICAP Tax abatement program is a 12-year tax abatement which the tax liability is reduced by 100 percent of the exemption at $3,203,511 for the first eight years of the exemption period, then by a sliding scale of 20 percent per year for the remaining four years of the exemption period, resuming to 100 percent of tax liability beginning Year 13. The subject property is currently in the 3rd year of the 12-year tax abatement. As such, we have analyzed and projected cash flows for the subject property assuming no ICAP tax benefit in and have incorporated the present value of the potential ICAP benefit years in the discounted cash flow.

For the purpose of this report, we have incorporated property taxes without ICAP benefits in the subject cash flows. We have projected the actual assessments to increase by 2.0 percent annually while the tax rate was increased by 1.0 percent annually to account for inflation. The total of the present value of the exemption benefit amount has been added to the As Is value in the income capitalization section of this report. Illustrated below is the ICAP benefit schedule:

Projection of Taxes with ICAP Exemption

Stage	*Benefit Year*	*Tax Year*	*Land Assessment*	*Improvements Assessment*	*Total Assessment*	*Tax Rate*	*Estimated Taxes without ICAP*	*Fiscalized Taxes without ICAP*	*Abatement Base*	*% Exempt*	*$ Exempt*	*Fiscalized Exemption*	*Fiscalized Taxes with ICAP*	*Estimated Tax Savings from ICAP Exemption*
U/C	0	2014 - 2015				10.684		-						
	0	2015 - 2016				10.656								
	0	2016 - 2017				10.574		-						
Open	0	2017 - 2018	$1,273,843	$31,717,440	$32,991,283	10.514	$3,468,703		$3,203,511	100%	$3,203,511	$3,203,511		
Upon Completion	1	2018 - 2019	$1,273,843	$33,983,962	$35,257,805	10.514	$3,707,006	$3,733,000	$3,203,511	100%	$3,203,511	$3,203,511		
	2	2019 - 2020	$1,273,843	$34,400,389	$35,674,232	10.537	$3,758,994	$3,584,497	$3,203,511	100%	$3,203,511	$3,203,511		
	3	2020 - 2021	$1,273,843	$30,767,897	$32,041,740	10.642	$3,410,001	$3,461,492	$3,203,511	100%	$3,203,511	$3,203,511		
	4	2021 - 2022	$1,299,320	$31,383,255	$32,682,575	10.749	$3,512,983	$3,566,029	$3,203,511	100%	$3,203,511	$3,203,511		
	5	2022 - 2023	$1,325,306	$32,010,920	$33,336,226	10.856	$3,619,075	$3,673,723	$3,203,511	100%	$3,203,511	$3,203,511		
	6	2023 - 2024	$1,351,812	$32,651,138	$34,002,951	10.965	$3,728,371	$3,784,669	$3,203,511	100%	$3,203,511	$3,203,511		
	7	2024 - 2025	$1,378,849	$33,304,161	$34,683,010	11.074	$3,840,967	$3,898,966	$3,203,511	100%	$3,203,511	$2,883,160		
	8	2025 - 2026	$1,406,426	$33,970,244	$35,376,670	11.185	$3,956,965	$4,016,715	$3,203,511	80%	$2,562,809	$2,242,458		
	9	2026 - 2027	$1,434,554	$34,649,649	$36,084,203	11.297	$4,076,465	$4,138,020	$3,203,511	60%	$1,922,107	$1,601,755		
	10	2027 - 2028	$1,463,245	$35,342,642	$36,805,888	11.410	$4,199,574	$4,262,988	$3,203,511	40%	$1,281,404	$961,053		
	11	2028 - 2029	$1,492,510	$36,049,495	$37,542,005	11.524	$4,326,401	$4,391,730	$3,203,511	20%	$640,702	$320,351		
	12	2029 - 2030	$1,522,360	$36,770,485	$38,292,845	11.639	$4,457,059	$4,524,360	$3,203,511	0%	$0	$0		

The below chart calculates the dollar amount of the present value of the ICAP benefit years. The estimated savings have been discounted using the selected discount rate of 5.0%. We have included the total present value of the tax savings of $20,490,708 in the discounted cash flow analysis.

Present Value of Tax Savings

Discount Rate ***5.0%***

Fiscal Year	Discount Year	Tax Year	Fiscalized Exemption	Discount Factor	Discounted Tax Savings
1	0	2019 - 2020	$3,203,511	1.0000	$3,203,511
2	1	2020 - 2021	$3,203,511	0.9524	$3,050,963
3	2	2021 - 2022	$3,203,511	0.9070	$2,905,679
4	3	2022 - 2023	$3,203,511	0.8638	$2,767,313
5	4	2023 - 2024	$3,203,511	0.8227	$2,635,536
6	5	2024 - 2025	$2,883,160	0.7835	$2,259,031
7	6	2025 - 2026	$2,242,458	0.7462	$1,673,356
8	7	2026 - 2027	$1,601,755	0.7107	$1,138,338
9	8	2027 - 2028	$961,053	0.6768	$650,479
10	9	2028 - 2029	$320,351	0.6446	$206,501
PV of Tax Savings As Is (Years 1-10)					**$20,490,708**

Compiled by LW Hospitality Advisors®

Improvements Description

The table below summarizes the specifications of the subject improvements.

General Information		
Property Type	Full Service Hotel	
Year Opened	2016	
Property Condition	Excellent	
Number of Stories	10 Stories	
Basement Levels	2 Levels	
Gross Building Area	192,251± Square Feet	
Elevators	3 Passenger, 2 Service	

Guestrooms		
Room Type	Number of Rooms	Ratio
Standard Rooms	249	87%
Suites	38	13%
Total Guestrooms Available	**287**	

Food & Beverage Outlets		
Outlet	Size	Meals Served
Augustine (Leased)	95 Seats	Breakfast, Lunch, Dinner
Temple Court (Leased)	86 Seats	Breakfast, Lunch, Dinner
The Bar Room (Leased)	70 Seats	Evenings
The Alley Cat (Leased)	2,800 Square Feet	Evenings

Meeting Rooms		
Room	Square Feet	Location
Kelly Room I & II	1,025	Basement Level
Farnsworth	1,075	Basement Level
Temple Court	1,200	Second Floor
Chapel Street	400	Second Floor
Pre-Function Lobby	1,000	Basement Level
Total Meeting Space	**4,700**	

Hotel General

The Beekman Hotel & Residences is a mixed-use hotel and residential property featuring 287 guestrooms and 68 residential condominium units, located at the southwest corner of Beekman Street and Nassau Street within the Civic Center neighborhood of Lower Manhattan, New York. The hotel is operated by Thompson Hotels and provide services to the residential units. The hotel component consists of the existing landmarked building at 123 Nassau Street and occupy the first ten floors of the adjacent 46-story building at 5 Beekman/115 Nassau Street, while the residential units are located on the remaining upper floors. The hotel features 249 standard guestrooms and 38 suites, which equates to approximately 13.0 percent of the inventory, a favorable ratio.

The hotel features various food and beverage outlets, which are leased out to Keith McNally and Tom Colicchio. Additional amenities at the hotel include a bi-level fitness center on the second and third floors.

Guestrooms

All guestrooms are located on floors two through ten. The hotel features 287 guestrooms, inclusive of 249 standard guestrooms and 38 suites, inclusive of 1 Thompson suite and 2 bi-level turret penthouses. This variety of guestrooms captures a balanced business mix at the subject property, including corporate executives and weekend leisure travelers. Standard guestrooms range in size from 285 square feet to 375 square feet, with suites ranging in size from approximately 475 SF to 1,100 SF.

Food and Beverage

Food and beverage outlets include two full-service restaurants, atrium/lobby bar and cellar bar lounge. Augustine restaurant has frontage on Beekman Street and Nassau Street and is leased out to Keith McNally. Temple Court restaurant is leased out to Tom Colicchio (Craft Restaurants) and operates all food and beverage operations at the hotel, including The Alley Cat bar and lounge, room service, and catering. Note that Craft Restaurants is the hotel food and beverage provider, while Keith McNally is limited to the leased Augustine restaurant space only. Please note, located in the cellar level, The Alley Cat bar and lounge commenced operations in April 2018.

Meeting Space

Meeting facilities at the subject hotel is comprised of approximately 4,700± square feet, inclusive of the pre-function lobby space, three conference rooms and one boardroom. Two conference rooms are located on the cellar level, while the third conference room and boardroom are located on the second floor. It is important to note that the subject hotel has a license agreement with Craft Restaurants regarding the operations of meeting room rental and services. According to the license agreement, Craft Restaurants provides all catering services associated with meeting/event room rentals.

Conclusion

The Beekman Hotel is a full service, high-end property located at the intersection of Beekman Street and Nassau Street in Lower Manhattan, New York. The improvements are in excellent overall condition and above average for the location in regard to improvement design and layout, as well as interior and exterior amenities which is comparable with upper-tier hotel operations in New York City. The subject hotel is well accepted by the neighborhood and city in accordance with the facilities and amenities. The property is located in a neighborhood with an abundance of corporate business, leisure attractions and retail, especially as the World Trade Center site is developed and completed. Overall, there are no known adverse factors pertaining to the property's marketability, and the high-end hotel in Lower Manhattan is positioned competitively within its intended demographic. The subject hotel's competitive advantages include its product offering, new condition, modern facilities and amenities, with good access and visibility from the surrounding areas.

Area Economic Analysis

Moody's Analytics

UNITED STATES

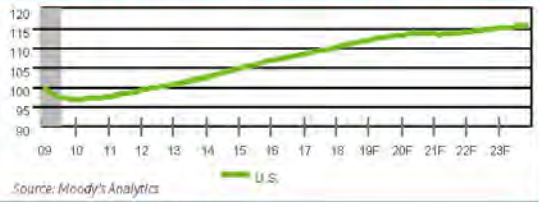
EMPLOYMENT GROWTH RATE

2018-2020	2018-2023
1.2%	0.8%

GROSS DOMESTIC PRODUCT

2018-2020	2018-2023
2.0%	2.2%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2009=100)



Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- Very productive workforce.
- Labor market attracts skilled and unskilled immigrants.
- High innovation and entrepreneurship.
- Mobile labor force, flexible labor system.

WEAKNESSES

- Large budget, current account deficits.
- Skewed income and wealth distribution.
- Polarized and fractured political system.
- Demographic challenges.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Aug 18	Feb 19	Aug 19
Total	1.7	1.8	1.5
Construction	4.9	4.1	2.7
Manufacturing	2.2	2.0	1.2
Trade	0.2	0.4	0.1
Trans/Utilities	3.9	3.6	2.4
Information	0.6	0.1	-0.1
Financial Activities	1.3	1.3	1.2
Prof & Business Svcs.	2.4	2.6	2.2
Edu & Health Svcs.	2.0	2.3	2.5
Leisure & Hospitality	1.7	2.5	2.0
Other Services	1.3	1.3	1.5
Government	0.5	0.5	0.4

FORECAST RISKS

SHORT TERM ↑ | LONG TERM ↑

UPSIDE

- Rising wealth and wages act as tailwinds for consumer spending.
- Federal Reserve aggressively eases monetary policy.
- Lower mortgage rates boost housing.

DOWNSIDE

- Trade tensions escalate and financial market conditions tighten significantly.
- Business and consumer confidence falls sharply and a recession ensues.

MOODY'S RATING: **Aaa**

ANALYSIS

Recent Performance. The business cycle is at a critical juncture. Recession risks are as high as they have been since the record-long economic expansion began over a decade ago. Indeed, a growing list of major global economies are already flirting with downturns. They include Germany, Italy and the U.K. in Europe; Brazil and Mexico in Latin America; and Japan, Korea and Singapore in Asia.

In the U.S., manufacturing and agriculture are arguably in recession. Industrial production is flagging, as are farm incomes. The transportation and distribution industries are also struggling since they move much of what factories and farmers produce. Combined, these activities account for no more than one-fifth of the nation's GDP, but as long as they are contracting, the broader economy will remain vulnerable to anything else that may go wrong.

Investors are anxious that something will. Based on a handful of financial indicators that have been prescient barometers of future recession, there is an almost two-thirds probability of recession by the middle of next year (see Chart 1). The indicators include two measures of the shape of the Treasury yield curve, stock market volatility, credit spreads, and the difference between the federal funds rate and the equilibrium funds rate—the rate consistent with a neutral monetary policy. Recession probabilities are lower after adjusting the yield curve measures to account for potential biases related to global quantitative easing and other factors. Even so, in past cycles when probabilities got as high, recessions ensued.

Poor policy. Historically, business cycles have come to an end because of a significant vulnerability in the private economy. Defaulting subprime mortgages were the proximate cause of the financial crisis, and the bursting of the technology-stock bubble was at the heart of the post-Y2K recession. Excessive leverage, speculation, and overvalued asset markets as well as overbuilt real estate markets and overladen inventories have been central to every recession since World War II.

This time, the predominant threat to the business cycle is poor economic policy, the most obvious being President Trump's trade war with China. Geopolitics are also unusually unsettled, from the possibility of a no-deal Brexit to heated political unrest in Hong Kong to mounting conflict in the Middle East that could disrupt global oil supply. Whether this expansion continues for very long depends on how these events play out, and how global central banks respond.

Trump has recently dialed back the rhetoric in his trade war with China, and negotiations appear set to resume in coming weeks. This has buoyed global stock markets, as widespread expectations, including our own, are that the president will soon come to terms with China. This does not mean the end of higher tariffs he has imposed on Chinese goods, or that there will be substantive changes to Chinese behavior around trade, access to their markets, or protection of intellectual property. But it does mean there will not be an escalation in the trade war. And although uncertainty will continue to weigh on business investment and hiring—and thus the economy's growth—recession will remain at bay (see Chart 2).

Of course, we have been at this same point more than once in the past year only to see the negotiations break down and the president double down on his tariffs and threaten other retaliation. If the same happens this time, investors are sure to lose faith, and financial markets will be roiled along with the economic expansion.

No-deal Brexit. Brexit is another existential threat to the economic expansion. Given the po-

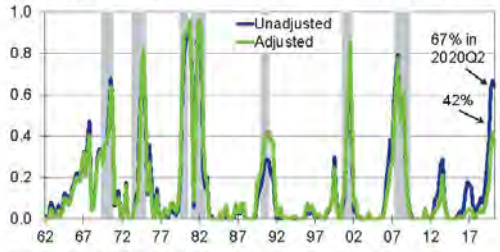
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2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
16,495	16,912	17,404	17,689	18,108	18,638	Gross domestic product (C12$ bil)	19,072	19,394	19,800	20,375	20,817	21,256
1.8	*2.5*	*2.9*	*1.6*	*2.4*	*2.9*	*% change*	*2.3*	*1.7*	*2.1*	*2.9*	*2.2*	*2.1*
136.4	138.9	141.8	144.3	146.6	149.1	Total employment (mil)	151.3	152.6	152.6	153.9	154.9	155.8
1.6	*1.9*	*2.1*	*1.8*	*1.6*	*1.7*	*% change*	*1.5*	*0.8*	*-0.0*	*0.9*	*0.7*	*0.6*
7.4	6.2	5.3	4.9	4.4	3.9	Unemployment rate (%)	3.7	3.7	4.3	4.4	4.5	4.5
1.2	5.7	4.8	2.6	4.7	5.6	Personal income growth (%)	4.8	4.1	3.9	4.6	4.2	4.0
316.1	318.4	320.7	323.1	325.1	327.2	Population (mil)	329.2	331.2	333.1	335.2	337.4	339.6
0.6	0.6	0.7	0.8	0.9	0.9	Single-family starts (mil)	0.9	0.9	1.2	1.5	1.5	1.5
0.3	0.4	0.4	0.4	0.4	0.4	Multifamily starts (mil)	0.4	0.4	0.4	0.5	0.5	0.5
1,844	1,267	1,675	2,035	1,758	1,646	Mortgage originations ($ bil)	1,859	1,722	1,652	1,638	1,702	1,803
1,039	910	820	771	766	751	Personal bankruptcies (ths)	756	804	936	1,103	1,277	1,394
0.1	0.0	0.1	0.3	0.9	1.9	91-day Treasury bill (%)	2.1	1.4	1.6	2.3	2.8	2.8
2.3	2.5	2.1	1.8	2.3	2.9	10-year Treasury bond (%)	2.2	2.6	3.2	3.9	4.1	4.1

MOODY'S ANALYTICS / Précis® U.S. State / September 2019

Recession Risks Are Uncomfortably High

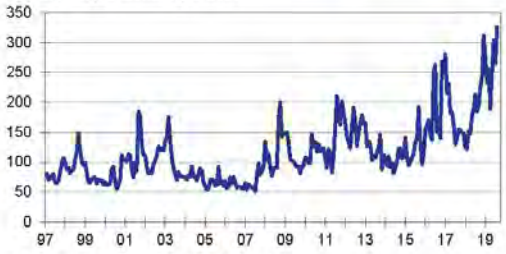
Prob. of U.S. recession based on financial indicators 12 mo prior



Sources: Federal Reserve, Moody's Analytics

Geopolitical Uncertainty Surges

Global policy uncertainty index



Sources: Policyuncertainty.com, Moody's Analytics

litical chaos in the U.K., there is no handicapping how it will play out. Yet we must, and our baseline scenario holds that the British will continue to kick the can down the road before ultimately deciding not to leave the EU. British Prime Minister Boris Johnson will thus be cornered into moving the drop-dead date for a Brexit decision from the current end of October to the end of January. There may be new elections between now and then, but that also will not determine a path forward. The deadline will be pushed further into the future, and although the cloud of uncertainty will remain thick and the British economy diminished as a result, Brexit will not be the catalyst for the next recession.

But it is not difficult to construct other darker scenarios in which the British leave the EU without a deal. In a no-deal scenario, trade between the U.K. and the EU would revert to rules governed by the World Trade Organization. Border controls will be necessary, tariffs will increase, and regulations and standards will ultimately diverge. The supply chain between the U.K. and the EU would be badly broken, regulatory arrangements that govern many aspects of everyday life—from medicines to driver licenses—would break down, and financial institutions would be unsure how to operate.

A no-deal Brexit would be a body blow to Europe's economy, particularly if it reignites populist anti-EU sentiment throughout the Continent (see Chart 3). It probably would not be enough by itself to push the rest of the global economy, including the U.S., into recession, but that is only because global central banks, led by the Federal Reserve, would be slashing interest rates.

Negative rates. The Fed will be instrumental in determining if the economy is able to navigate through the next year without suffering a recession. It is already on the case and appears set to deliver the full percentage point in easing that futures markets currently anticipate through early next year. This will provide much-needed support to the economy. Based on simulations of our global model, the lower rates will boost real GDP by half a percentage point by the end of 2020 and by a full point by the end of 2021 (see Chart 4). This is just enough to forestall a recession under our baseline assumptions regarding the trade war and the geopolitical threats.

However, if Trump escalates his trade war or there is a no-deal Brexit or any of a number of other geopolitical hot spots boils over, the Fed will be overwhelmed. It will quickly be back to dealing with the zero lower bound, a resumption of quantitative easing, and possibly even negative interest rates. With the federal funds rate and 10-year Treasury yields already hovering around 2%, any of these shocks would likely quickly push rates negative. For context, in typical recessions the Fed lowers short-term rates by close to 5 percentage points.

Even if the Fed wanted to respect the zero lower bound on the federal funds rate, it probably could not, since the yield curve would deeply invert as long rates turned more negative. Foreign capital would pour into the U.S. because rates would likely go even more negative in Europe and Japan. Negative rates would be hard on the financial system's profitability, but an inverted yield curve with short rates pinned at the zero lower bound would be untenable for the system, further undermining the availability of credit and the economy.

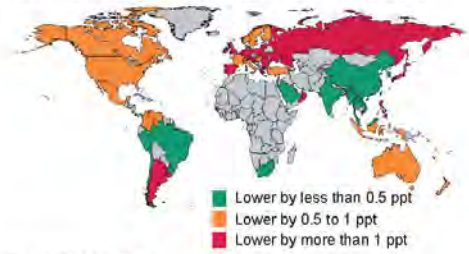
And if the experience with negative rates in Europe and Japan is any guide, they will do little to support the economy. There is mounting evidence that negative rates undermine investor and business confidence, since they signal how dysfunctional the economy is. Moreover, negative rates in the U.S. would have serious implications for the huge shadow financial system that provides about half the nation's credit. The non-depository institutions that make up this system rely on lines of credit from large banks and short-term funding markets for the liquidity they need to support their lending activities. It is unclear what would happen to this liquidity in a world of negative rates.

To be clear, recession is not imminent, at least not in the U.S. Although growth has throttled way down from last year, the American economy is close to its 2% GDP growth potential. At the current pace of underlying job growth, unemployment will remain stable at less than 4%. But if growth slows any further, which it will if Trump does not stand down on his trade war with China or the geopolitical situation goes any further off the rails, unemployment will begin to rise. Once that happens, recession will be upon us.

Mark Zandi
September 2019

No-Deal Brexit Would Be a Global Body Blow

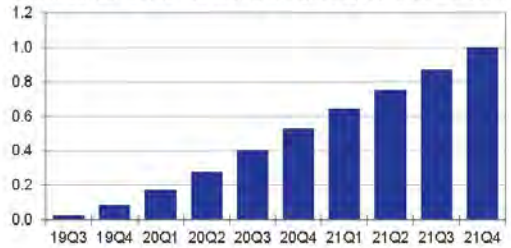
Difference in real GDP in 2020Q4. No deal vs. No Brexit



Source: Moody's Analytics

Counting on the Federal Reserve

Chg in real GDP due to Fed easing as implied by fed funds futures, %



Source: Moody's Analytics

Moody's Analytics

NORTHEAST

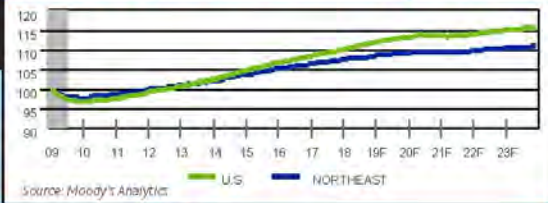
EMPLOYMENT GROWTH RATE

2018-2020	2018-2023
0.7%	0.5%

GROSS DOMESTIC PRODUCT

2018-2020	2018-2023
1.9%	2.0%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2009=100)



Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- Highly educated labor force and productive high-tech industries.
- A global financial capital.
- High per capita income.
- Sizable university and hospital presence.

WEAKNESSES

- Higher costs than other regions.
- Aging and slow-growing population.
- State finances plagued by high pension liabilities and inadequate reserves.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Aug 18	Feb 19	Aug 19
Total	1.0	0.9	0.8
Construction	2.0	2.2	1.6
Manufacturing	0.8	0.6	-0.3
Trade	-0.6	-0.7	-0.3
Trans/Utilities	2.7	2.3	2.0
Information	0.5	-0.1	0.4
Financial Activities	0.3	-0.4	0.1
Prof & Business Svcs.	1.4	0.8	0.5
Edu & Health Svcs.	2.1	2.2	2.0
Leisure & Hospitality	1.1	1.5	1.5
Other Services	0.9	1.1	0.8
Government	0.2	0.4	0.5

FORECAST RISKS

SHORT TERM ↓ | LONG TERM ↓

UPSIDE

- Worker shortages put more upward pressure on wages than expected.
- Federal Reserve adopts a more dovish posture, giving a short-term jolt to the region's finance-dependent states.

DOWNSIDE

- Trade war hits service exports and financial markets especially hard.
- Financial slowdown drives reduced venture capital, weighing on high tech.

COST OF DOING BUSINESS

104%

ANALYSIS

Recent Performance. After missing out on last year's national acceleration, the Northeast is holding steady while the rest of the U.S. slows. The labor market remains tight, with the unemployment rate below the U.S. figure and the labor force growing at the nation's slowest clip. These dynamics are keeping the gap between job openings and hiring wide, putting upward pressure on wages. The Employment Cost Index for the 12-month period ended in June reveals the strongest wage growth in the nation.

Uncertainty. Broader economic storm clouds have dimmed the region's outlook. Recession warning signs caused equity and debt markets to convulse during the summer after a relatively stable first half of 2019. The Northeast is twice as dependent on the securities industry as the rest of the U.S., so any weakness will prove problematic, with finance-reliant New York and Delaware the most vulnerable states. Even with further interest rate cuts potentially creating upside risk, the outlook is unfavorable.

Although the direct impact of the trade war with China is not as pronounced as it is elsewhere, its indirect effects are being felt. Not only are financial markets reacting negatively, but growing uncertainty also is plaguing firms. Delayed investment decisions by service providers in the region's large gateway metro areas will put a dent in output and job growth. Meanwhile, the potential for Chinese retaliation to extend to service exporters is rising, and the potential expansion of tariffs to consumer goods could soon place the Northeast more firmly in the crosshairs.

Tech. High tech will remain a pillar of regional growth, mirroring a national trend but concentrating more strength in a handful of economies. The region's five largest metro areas—New York City, Washington DC, Philadelphia, Boston and Baltimore, which account for more than 70% of population—all boast a higher than average share of tech jobs. This makes the Northeast unique, as all other regions feature at least one nontech top-five metro area.

Signs point to further near-term growth. Venture capital dollars into the region are near their all-time high, and major firms are increasing their regional footprint. Amazon's second headquarters just outside Washington DC is the most significant investment, but it is hardly an isolated case. Even New York City, which spurned the other half of Amazon's HQ2, has attracted investment from the online retail giant and other key firms such as Google and Facebook.

Demographics. A booming tech sector will attract more young people, representing a silver lining in an otherwise dark demographic picture. Population growth in the Northeast has been the nation's weakest for six years running, and the Mid-Atlantic has lost residents in each of the past three years. This marks the first population decline for any census division in over three decades. Reduced demand for housing has made the Northeast home to five of the 11 slowest-growing states for house price growth, based on the Case-Shiller single-family index.

Still, the news is not all bad. The lure of large cities and lucrative tech jobs will keep growth among twenty- and thirtysomethings in line with the national rate in the short run. And a steady stream of college graduates will bolster an existing edge in educational attainment, allowing the region to trade workforce quantity for quality.

Although clouded by uncertainty facing major metro areas and key industries, the Northeast will push forward for the remainder of 2019. High-tech growth will remain a catalyst, helping to offset weakness in finance. In the long run, workforce quality and the pull of large cities will keep the region afloat, but net out-migration will spell underperformance.

Adam Kamins
September 2019

2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
3,888.6	3,950.0	4,026.0	4,077.8	4,136.4	4,219.1	Gross regional product (C12$ bil)	4,317.2	4,376.5	4,450.0	4,564.2	4,653.2	4,739.9
29,436	29,815	30,240	30,644	30,993	31,297	Total employment (ths)	31,568	31,734	31,724	31,927	32,087	32,223
1.1	*1.3*	*1.4*	*1.3*	*1.1*	*1.0*	*% change*	*0.9*	*0.5*	*-0.0*	*0.6*	*0.5*	*0.4*
7.4	6.1	5.2	4.8	4.5	4.0	Unemployment rate (%)	3.8	4.0	4.5	4.7	4.8	4.8
0.7	4.4	4.5	2.8	4.7	3.9	Personal income growth (%)	2.9	2.9	2.9	4.3	3.9	3.8
63,406	63,569	63,651	63,699	63,750	63,823	Population (ths)	63,899	63,952	64,008	64,137	64,278	64,414
4.9	-31.5	-96.6	-132.7	-91.3	-53.8	Net migration (ths)	-63.8	-98.1	-94.1	-18.5	-1.9	-0.6
67,389	69,514	68,017	70,343	72,182	72,434	Single-family permits (#)	72,495	83,314	113,510	140,973	142,476	137,505
65,686	74,658	121,201	73,597	80,275	80,251	Multifamily permits (#)	90,730	77,240	78,314	77,337	76,578	76,498
476	488	504	522	545	574	House price (1980Q1=100)	599	624	648	671	696	726
367	237	307	360	320	311	Mortgage originations ($ mil)	357	330	313	307	316	334
3,220.8	3,368.6	3,512.6	3,572.1	3,486.3	3,497.4	New vehicle registrations (ths)	3,443.6	3,407.2	3,510.7	3,772.6	3,774.8	3,674.4
147,706	134,024	120,351	115,036	117,033	119,118	Personal bankruptcies (#)	118,857	122,475	139,218	164,725	193,117	215,894

MOODY'S ANALYTICS / Précis® U.S. State / September 2019

Moody's Analytics

NEW YORK

ECONOMIC DRIVERS

FINANCIAL CENTER | MEDICAL CENTER | TOURIST DESTINATION

EMPLOYMENT GROWTH RANK

2018-2020	2018-2023
37	42
4th quintile	5th quintile

Best=1, Worst=54

RELATIVE COSTS

LIVING	BUSINESS
109%	98%
Rank: 10	Rank: 30

U.S.=100%

VITALITY

RELATIVE	RANK
89%	31
U.S.=100%	Best=1, Worst=51

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

» High per capita income and fast-growing tech sector.
» Skilled labor force.
» Financial capital of U.S.

WEAKNESSES

» Elevated business costs in New York City push some firms out of state.
» Declining population due to out-migration, especially outside of the five boroughs.
» Sizable state debt burden.

FORECAST RISKS

SHORT TERM ↓ | LONG TERM ↓

RISK EXPOSURE 2019-2024 **50** 5th quintile *Highest=1 Lowest=51*

UPSIDE

» More dovish monetary policy benefits sizable financial services sector.
» Aging population and low uninsured rate allow healthcare to sustain recent pace.

DOWNSIDE

» Less generous state and local tax and mortgage interest deductions further weaken housing market.
» Trade war, economic slowdown reduce Chinese tourist visits to New York City.

MOODY'S RATING

Aa1 AS OF DEC 12, 2016

ANALYSIS

Recent Performance. After lurking behind the curtain earlier this year, signs of weakness in New York's economy are taking center stage. Payrolls have flattened, and the unemployment rate is creeping higher despite a contracting labor force. Financial services were among the first dominoes to fall late last year, but softness is spreading. Weak residential and commercial real estate markets have slowed construction, and leisure/hospitality is down noticeably since the year began. Healthcare is leading the way forward, and the public sector has improved, helping to prevent outright job declines. Still, recession fears are rising, with four of the state's 14 metro areas either at risk or in recession; this is almost three times the national share.

Wall Street. After a rocky ride over the past year, financial services will stabilize but fail to grow meaningfully. Global weakness and the trade war with China have spooked investors, contributing to a sharp decline in securities industry employment to close 2018. Rebounding stock prices have brightened the picture, but troubles remain. Goldman Sachs and Deutsche Bank are cutting a small number of jobs, signaling a shift in the trajectory for finance in NY.

The Federal Reserve's interest rate cuts so far in 2019 have calmed jittery investors, but they create downside risk. Further cuts are now expected, meaning that any hint of tightening would wreak havoc with equity markets. And a national downturn could leave the Fed with limited options to stimulate the economy, exacerbating stock market declines. This makes NY vulnerable given its reliance on finance to create jobs, generate income, and support state coffers.

Leisure. The state will fall further behind the U.S. in leisure/hospitality. For much of this cycle, consumer industries have led the way, helped by a rising tide of visitors. But now trade tensions with China and slower growth overseas are reducing visits to New York City, with spending by Chinese visitors to the Big Apple falling more than 10% in the first quarter, according to Commerce Department data. A continued slowdown would set back hotels, restaurants and retailers.

Elsewhere in the state, NY's four recently built casinos are encountering issues. Resorts World Catskills, the state's largest casino, may face bankruptcy less than two years after opening, and its peers are also struggling. A saturated gambling market in the Northeast is largely to blame, compounded by softening confidence. The Siena College measure of consumer sentiment in New York is slipping far more rapidly than its national counterpart, holding back discretionary spending.

Housing. The housing market will remain an underachiever. NY recently became the nation's most foreclosure-riddled state, with twice the inventory of the third-highest state on a per household basis. A slow judicial process bears much of the blame, but weak population growth is also holding back demand. A limited supply of homes upstate means that prices are rising, but the GOP tax law from late 2017 is hurting the New York City area. A decline in median single-family prices immediately after the law went into effect is driving some of the slowest price appreciation in the U.S. Combine this with a slowing luxury condo market in the Big Apple, and the short-term outlook is bleak.

The best of this cycle is in the past for New York. Payrolls will keep growing into 2020, but at a modest clip that will eventually give way to job losses. Financial services will stabilize following a difficult finish to last year, but consumer industries are poised to slump further. Longer term, weak demographics will weigh on housing and potential output, keeping the state an underperformer.

Adam Kamins *1-866-275-3266*
September 2019 *help@economy.com*

2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
1,319.3	1,348.2	1,369.1	1,388.3	1,407.2	1,437.0	Gross state product (C12$ bil)	1,473.5	1,489.4	1,509.1	1,543.0	1,569.5	1,595.3
8,957	9,123	9,289	9,434	9,560	9,677	Total employment (ths)	9,778	9,824	9,817	9,874	9,920	9,960
1.6	*1.9*	*1.8*	*1.6*	*1.3*	*1.2*	*% change*	*1.0*	*0.5*	*-0.1*	*0.6*	*0.5*	*0.4*
7.7	6.3	5.3	4.9	4.7	4.1	Unemployment rate (%)	4.0	4.3	4.9	5.1	5.1	5.2
1.5	4.1	4.2	3.0	6.0	4.6	Personal income growth (%)	2.0	2.1	2.5	4.2	3.8	3.7
19,628	19,656	19,661	19,642	19,591	19,542	Population (ths)	19,504	19,465	19,433	19,426	19,424	19,419
-33.2	-59.8	-80.7	-104.3	-120.6	-109.9	Net migration (ths)	-103.2	-110.5	-102.7	-77.9	-72.4	-72.9
10,078	10,386	10,065	10,243	10,361	10,033	Single-family permits (#)	10,493	13,694	19,181	23,875	24,025	23,151
22,503	25,900	64,546	23,468	28,989	27,745	Multifamily permits (#)	31,005	28,953	29,504	28,884	28,477	28,193
560	571	592	614	645	684	FHFA house price (1980Q1=100)	715	742	770	798	830	870
7.3	6.6	5.8	5.4	5.3	4.9	Mortgage delinquency rate (%)	5.2	5.0	5.1	5.2	5.2	5.1
931.5	966.6	1,012.7	1,048.1	1,030.2	1,024.3	New vehicle registrations (ths)	1,013.1	1,006.2	1,021.1	1,082.5	1,081.7	1,056.6
35,242	30,853	28,613	28,393	31,508	32,632	Personal bankruptcies (#)	33,340	35,345	41,318	48,816	56,566	61,578

PRÉCIS® U.S. STATE • New York

ECONOMIC HEALTH CHECK

3-MO MA

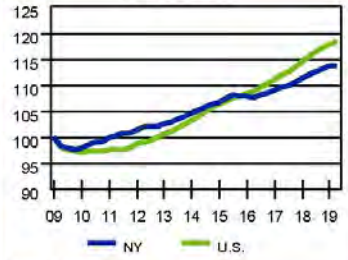
	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19
Employment, change, ths	13.3	14.2	13.4	9.5	4.1	2.1
Unemployment rate, %	3.9	3.9	3.9	4.0	4.0	4.0
Initial unemployment claims, ths	65.1	67.0	66.1	69.3	68.3	68.0
Labor force participation rate, %	61.3	61.3	61.2	61.1	61.0	60.8
Merchandise exports, $ bil	79.2	77.8	77.7	75.6	74.1	74.9
Average weekly hours, #	33.2	33.1	33.0	33.0	33.0	33.0
Industrial production, 2012=100	108.1	107.9	107.8	107.7	107.7	107.9
Residential permits, #	47,548	43,642	36,594	36,391	33,600	37,565

Better than prior 3-mo MA | Unchanged from prior 3-mo MA | Worse than prior 3-mo MA

Sources: BLS, Census Bureau, Dept. of Labor, Moody's Analytics

BUSINESS CYCLE INDEX

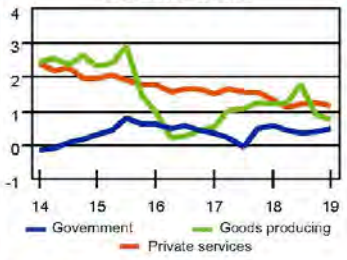
JAN 2009=100



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

% CHANGE YR AGO, 3-MO MA

	Aug 18	Feb 19	Aug 19
Total	1.3	1.1	0.9
Mining	8.7	1.9	1.9
Construction	3.0	3.1	2.0
Manufacturing	-0.2	0.4	-0.5
Trade	-0.9	-0.4	0.6
Trans/Utilities	1.6	1.2	1.2
Information	1.6	0.7	-0.0
Financial Activities	1.0	-0.3	-0.3
Prof & Business Svcs.	2.1	0.7	0.1
Edu & Health Svcs.	3.3	3.0	2.5
Leisure & Hospitality	0.4	0.9	1.3
Other Services	0.6	1.5	0.1
Government	0.7	0.4	0.5

Sources: BLS, Moody's Analytics

DIFFUSION INDEX

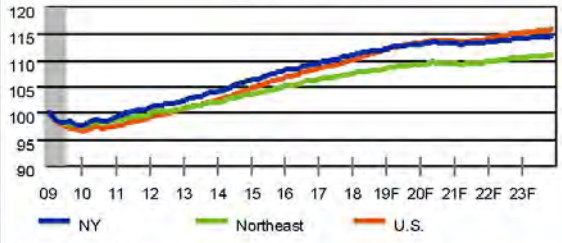
3-DIGIT NAICS LEVEL, 6-MO MA



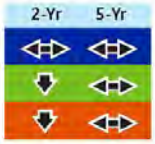
Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

JAN 2009=100



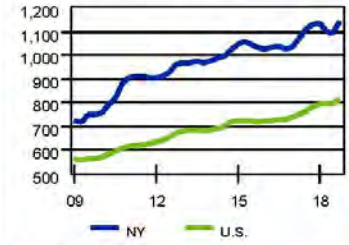
FORECAST VS. 6 MO PRIOR



Sources: BLS, Moody's Analytics

STATE TAX REVENUE

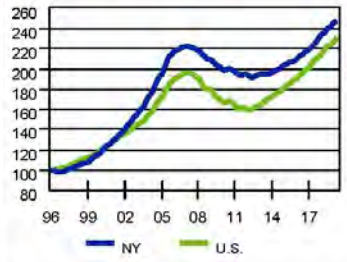
$ PER CAPITA



Sources: Census Bureau, Moody's Analytics

HOUSE PRICE

1996=100, NSA



Sources: FHFA, Moody's Analytics

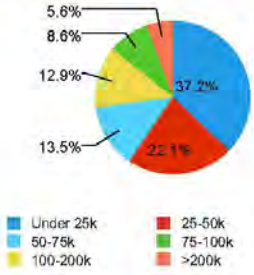
HOUSING AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE



Sources: NAR, Moody's Analytics

INCOME TAX DISTRIBUTION



Sources: IRS, Moody's Analytics, 2016

MOODY'S ANALYTICS / Précis® U.S. State / September 2019

PRÉCIS® U.S. STATE • New York

EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

Northwell Health	62,000
JPMorgan Chase & Co.	37,363
New York City Health and Hospitals Corp.	35,000
University of Rochester	27,590
Citibank NA	24,991
Altice USA	20,000
Wegmans Food Markets Inc.	19,898
Mount Sinai Medical Center	18,999
Continuum Health Partners Inc.	18,974
Diocese of Rockville Centre	17,000
NYU Langone Medical Center	16,649
Macy's	16,332
Rochester Regional Health System	15,753
Columbia University	14,847
Montefiore Medical Center	14,845
New York University	14,813
Verizon Communications	14,151
City University of New York	13,970
SUNY at Stony Brook	13,500
Bank of America	12,840

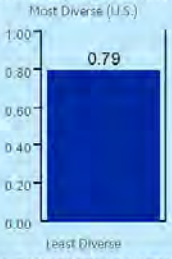
Sources: Combined lists, Moody's Analytics, 2017

PUBLIC

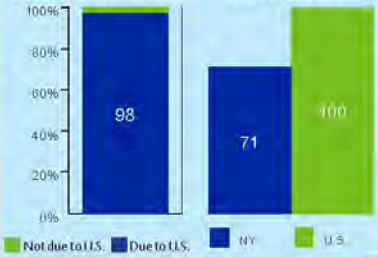
Federal	114,692
State	257,842
Local	1,116,217

2018

INDUSTRIAL DIVERSITY



EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

EMPLOYMENT IN NEW COMPANIES, % OF TOTAL



Sources: Census Bureau, Moody's Analytics, avg 2012-2016

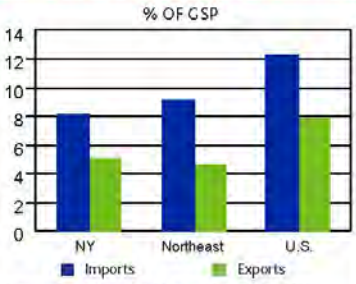
MERCHANDISE EXPORTS

Destination	$ mil	% of total
World	84,455.2	100.0
Canada	16,339.7	19.3
Hong Kong	9,158.4	10.8
Switzerland	7,747.0	9.2
United Kingdom	6,431.3	7.6
Israel	4,906.1	5.8

Industry	$ mil	% of total
World	84,455.2	100.0
Miscellaneous manuf.	23,133.8	27.4
Primary metal manuf.	8,228.4	9.7
Computers, electronics	7,369.7	8.7
Unclassified, ($ mil., nsa)	6,344.2	7.5
Machinery manuf.	5,287.2	6.3

Sources: Census Bureau, Moody's Analytics, 2018

EXPOSURE TO GLOBAL MARKETS



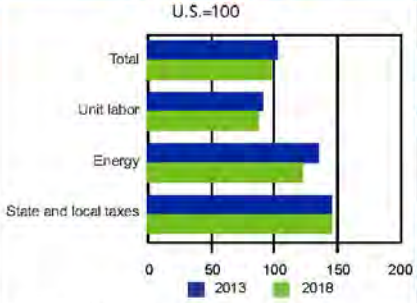
Sources: Census Bureau, ACS, Moody's Analytics, 2018

INDUSTRY EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT NY	% OF TOTAL EMPLOYMENT U.S.	AVERAGE ANNUAL EARNINGS NY	AVERAGE ANNUAL EARNINGS U.S.
Mining	0.0	0.5	$173,764	$103,785
Construction	4.1	4.9	$79,920	$68,455
Manufacturing	4.6	8.5	$82,732	$83,365
Durable	*58.2*	*62.6*	*$87,082*	*$86,331*
Nondurable	*41.8*	*37.4*	*$76,886*	*$78,483*
Transportation/Utilities	3.1	4.0	$58,996	$60,890
Wholesale Trade	3.4	3.9	$98,631	$88,316
Retail Trade	9.7	10.6	$40,058	$35,245
Information	2.9	1.9	$155,268	$119,417
Financial Activities	7.4	5.7	$114,922	$59,540
Prof. and Bus. Services	13.9	14.1	$96,656	$71,767
Educ. and Health Services	21.3	15.9	$59,678	$56,400
Leisure and Hosp. Services	9.9	11.0	$39,482	$29,108
Other Services	4.3	3.9	$43,567	$38,639
Government	15.4	15.1	$98,352	$78,273

Sources: Percent of total employment —BLS, Moody's Analytics, 2018, Average annual earnings —BEA, Moody's Analytics, 2017

BUSINESS COSTS



Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
NY	444.5	4.6
U.S.	7,261.0	4.9

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
NY	839.1	8.7
U.S.	14,296.2	9.6

Source: Moody's Analytics, 2018

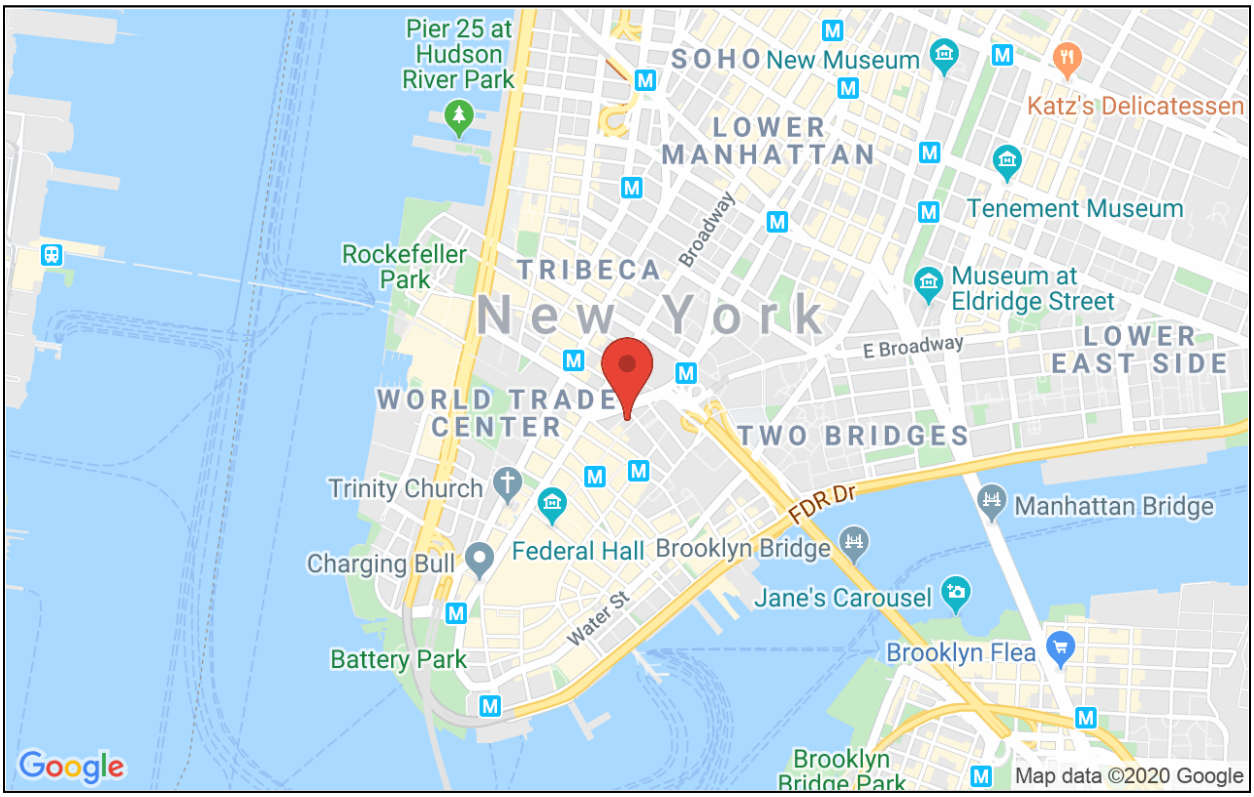
LEADING INDUSTRIES BY WAGE TIER

	NAICS	Industry	Location Quotient	Employees (ths)
HIGH	6221	General medical and surgical hospitals	1.2	357.3
	6211	Offices of physicians	1.0	162.5
	5511	Management of companies & enterprises	1.0	144.5
	2382	Building equipment contractors	1.0	141.3
MID	GVL	Local Government	1.2	1,115.6
	6113	Colleges, universities & prof. schools	2.8	318.2
	GVS	State Government	0.8	258.3
	5613	Employment services	0.8	188.0
LOW	7225	Restaurants and other eating places	0.9	593.9
	6216	Home health care services	2.6	247.4
	6241	Individual and family services	1.6	246.4
	4451	Grocery stores	1.1	182.4

Source: Moody's Analytics, 2018

MOODY'S ANALYTICS / Précis® U.S. State / September 2019

Neighborhood Analysis



Location

The subject property is located in the Civic Center neighborhood of Lower Manhattan, New York. Civic Center describes the area around City Hall, the center of New York City government. Most of the neighborhood consists of city, state and federal government offices, as well as the police headquarters and the courts. The area has been experiencing an increasing number of upscale residential conversions from older commercial structures. This immediate area is also densely improved with former office buildings that have been converted into residential buildings and lofts, similar to the adjacent historic district of Tribeca and Soho. The local market is also improved with retail, commercial office buildings and ancillary uses such as hotels and service establishments located at grade along both avenues and side streets. The subject's block is a mixed-use area, improved primarily with commercial buildings, residential buildings and predominantly low-end grade level retail.

The subject neighborhood features an array of uses including office, retail, and cultural attractions, all of which range from mid to high end. The subject is situated in a convenient location of the Financial District, within Downtown Manhattan, in terms of accessibliity to a variety of demand generators. In addition, located northeast of the subject property is City Hall and the surrounding area commonly referred to as the Civic Center. Most of the Civic Center neighborhood consists of city, state and federal government offices, as well as the police headquarters and the courts.

Downtown Manhattan

According to the Alliance for Downtown New York, Inc., there are currently 10,364 businesses located in Lower Manhattan as of Q3 2019, 3 more than there were at the same time in Q3 2018. Between Q1 2005 and Q3 2018, more than 800 firms relocated to downtown, accounting for over 20,000,000 square feet of leased office space. The Financial District and Lower Manhattan are also home to many New York City leisure demand generators. According to the Alliance for Downtown New York, Inc., there are over 17,400,000 tourists that visit Lower Manhattan on an annual basis and the number is continuing to increase. Some of the more notable leisure attractions include the Charging Bull, South Street Seaport, New York Stock Exchange, Ellis Island and the Statue of Liberty, the Woolworth Building, Federal Hall, Trinity Church, 9/11 Memorial (which is quickly becoming NYC's most visited attraction), Freedom Tower Observatory, Battery Park, Governor's Island, Brooklyn Bridge, St. Paul's Chapel, Wall Street, City Hall, and the Federal Reserve Bank of New York.

Neighboring communities to the Financial District include SoHo directly north, Chinatown to the northeast and Tribeca and Hudson Square to the northwest. Tribeca is home to the famous annual Tribeca Film Festival, which was founded in 2002 to enable the international film community and general public to experience the power of cinema and also to encourage business in Downtown following 9/11. In 2019, the Tribeca Film Festival celebrated their 18th year. The Tribeca Film Festival has screened more than 1,700 films from more than 80 countries since its first edition in 2002. Since its inception, the Festival has attracted an international audience of more than 3.7 million attendees.

Lower Manhattan is also home to Pace University. Established in 1906, Pace University is a private institution with an annual student body of approximately 14,000 students. The New York City campus is roundly 950,000 square feet, adjacent to City Hall and the Civic Center neighborhood of Lower Manhattan.

World Trade Center

The World Trade Center site is currently under construction with plans for the entire project to total approximately 10 million square feet of Class A office space.

1 World Trade Center, also known as the Freedom Tower, soars to the symbolic height of 1,776 feet, with the antenna. The 3.0 million SF building features office space, restaurants, One World Observatory on floors 100 to 102, below-grade retail, and broadcast and antennae facilities. The building is currently 75 percent leased; tenants include Condé Nast, High 5 Games, xAd, Moody's, Cushman & Wakefield, and the U.S. General Services Administration, as well as numerous broadcast tenants.

2 World Trade Center (200 Greenwich Street) is anticipated to be 81 stories, located just east of 1 World Trade Center at the corner of Vesey Street. The structure will house 2.8 million SF of rentable space. The building is also anticipated to have 350,000 SF of retail space at five levels, amenities inclusive of basketball courts, a running track, and a cafeteria, and a 40-foot tall, 38,000 SF office lobby. Its eight entrances will allow access at street level, below-grade at the WTC Transportation Hub, and at the retail area. Construction has begun for 2 World Trade Center, but work on the tower has been stalled until an anchor tenant is obtained.

3 World Trade Center (175 Greenwich Street), constructed to 80 stories, is the third tallest building on the World Trade Center site. The structure houses 2.5 million SF of office space, with five trading floors included. The tower also features 150,000 SF retail on five levels at and below grade. Group M, a division of branding and communications giant WPP, agreed to lease 20 percent of the building, confirming them

as the anchor tenant for the building. The company will occupy 686,000 square feet for 20 years and is currently moving 2,400 employees from three Midtown locations to 3 World Trade Center. 3 World Trade Center opened in June 2018.

4 World Trade Center (150 Greenwich Street) opened in November 2013, as the first tower on the original 16-acre World Trade Center site to welcome tenants. The 72-story tower faces directly on the World Trade Center Memorial Park from the west. The structure houses 2.3 million SF of rentable space, including 140,000 SF of retail space on 5 floors. Office tenants include the Port Authority of New York and New Jersey, the City of New York, Spotify, and Zurich American Insurance Company. The building features two retail levels below grade.

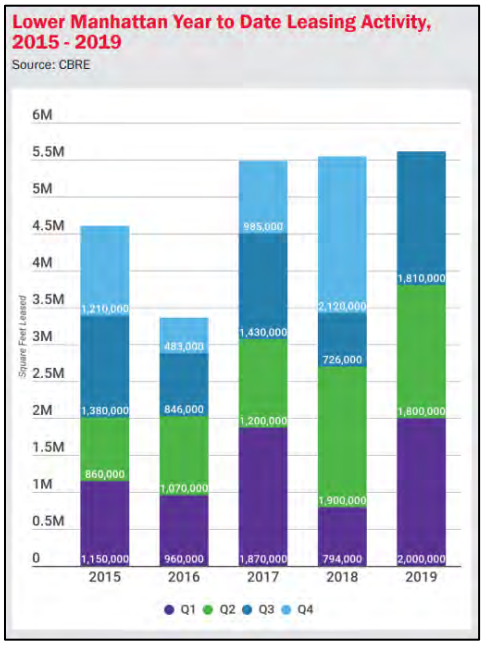
The National September 11th Memorial was completed in 2011, consisting of two large reflecting pools set within the footprints of the original Twin Tower Buildings. The names of the nearly 3,000 individuals who perished in the September 11th attacks in New York City, Pennsylvania, and Washington D.C., as well as the February 1993 World Trade Center bombing are inscribed around the edges of the memorial pools. The Memorial Plaza is approximately eight acres in size.

The Ronald O. Perelman Performing Arts Center (The Perelman Center) is anticipated to be completed by the end of 2021. Designed by REX and developed by the Port Authority of New York and New Jersey, the performing arts center is located at the northern end of the original 16-acre World Trade Center complex. The projects site is located directly south of 7 World Trade Center. Upon completion, the performing arts center is anticipated to be comprised of three main sections: the Public Level on the bottom, the Performer Level in the middle, and the Play Level on the top. The Play Level will have a 99, 250, and a 499 seat theater, along with a rehearsal which can be used as a fourth venue. Construction is currently underway and is anticipated to be complete by the end of 2021.

Commercial Office Market

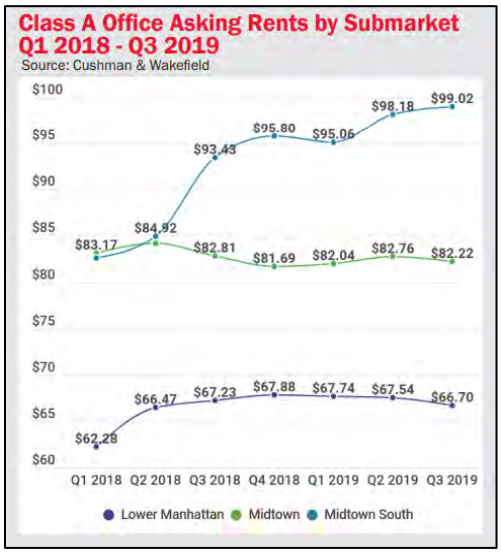
The Lower Manhattan office market has shown its highest leasing activity since 2000, reportedly leasing 5.61 million SF through third quarter of 2019. In the third quarter of 2019, approximately 1.81 million SF of new office deals were made which 37% of the activity was due to relocations into the Lower Manhattan from the Midtown market. Of those relocations, more than half were attributed to the Technology, Advertising, Media and Information (TAMI) tenants which have been major players in the area's leasing success over the recent years. In addition, large retail companies, fashion brands, and consumer and media brands have also contributed to the strong leasing activity over the years with companies such as J. Crew, Nike, Hudson's Bay Company, SMCP, Conde Nast, and Revlon relocating their corporate offices to the Lower Manhattan neighborhood. Overall, leasing in the past three quarters has already surpassed 2018's year-end totals.

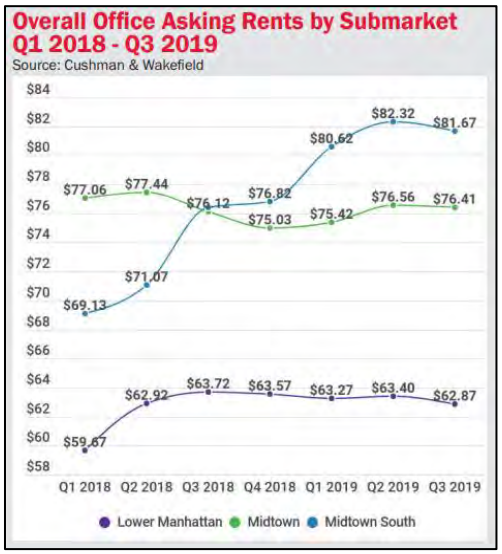
The following chart displays the pace of Lower Manhattan's new leasing activity by quarter since Q1 2015 through Q3 2019.



Through the third quarter of 2019, the Lower Manhattan's vacancy rate remained at 11.1% in the quarter, down from 12% from the same time in 2018. The decrease can be attributed to sizeable leasing transactions, particularly at the World Trade Center, as well as limited new availabilities. Meanwhile, Midtown's overall vacancy rate increased to 11.1% as several large availabilities came into inventory. Midtown South's vacancy decreased to 8.1%, as that market set its highest quarterly leasing activity on record. Lower Manhattan continues to maintain a substantial pricing advantage compared to other Manhattan submarkets, most notably to Midtown South. Lower Manhattan's average asking rents are $32 per SF below Midtown South's average for Class A office space and nearly $19 below for overall office space. One of the reasons for Midtown South's high asking rent is attributed to the expansion of the technology sector in the neighborhood that has left the market with limited availabilities and record-setting pricing.

The following charts represents Class A and overall asking rents by submarket.





The ongoing lease activity at World Trade Center continues to drive Lower Manhattan's leasing success with new, high-quality office space to accommodate either priced out of other submarkets or in need of modern infrastructure. Three of the top five leases isgned during the third quarter were at 3 WTC and 4 WTC, while another five were signed across 1 WTC, 3 WTC, and 7 WTC. Notable transactions include Uber's 307,970 SF at 3 WTC, Kelly Drye & Warren's 103,082 SF at 3 WTC, Spotify's expansion of 85,666 SF at 4 WTC (totaling 567,000 SF), and Moet Hennessy's 83,486 SF at 7 WTC.

The following chart displays Lower Manhattan's largest leases in Q3 2019:

Lower Manhattan Top Leases, Q3 2019

Source: Downtown Alliance, CBRE, JLL, CoStar, Colliers International

	Tenant Name *Location*	SF Leased *Transaction Type*	Sector
1	Uber 3 World Trade Center	307,970 Relocation	TAMI, Technology
2	District Council 37 55 Water Street	130,449 Moving Within LM	Nonprofit
3	Kelly Drye & Warren 3 World Trade Center	103,082 Relocation	Prof. Services, Law
4	Spotify 4 World Trade Center	85,666 Expansion	TAMI, Technology
5	Knotel 195 Broadway	83,732 New LM Location	Prof. Services, Flexible Office Space Provider
6	Moda Operandi 195 Broadway	83,685 Relocation	Other, Retail Trade
7	Moët Hennessy 7 World Trade Center	83,486 Relocation	Other, Manufacturing
8	NYC Dept. of Citywide Admin. Services 55 Water Street	64,551 Moving Within LM	Government
9	WeWork 83 Maiden Lane	56,000 New LM Location	Prof. Services, Flexible Office Space Provider
10	WeWork 255 Greenwich Street	51,953 New LM Location	Prof. Services, Flexible Office Space Provider
11	Better.com 3 World Trade Center	44,931 Expansion	FIRE
12	Five Rings Capital 225 Liberty Street	43,374 Moving Within LM	FIRE
13	US Equal Opportunity Commission 33 Whitehall Street	39,721 Renewal	Government
14	Carta One World Trade Center	36,099 Relocation	TAMI, Technology
15	Giant Spoon 44 Wall Street	33,318 Renewal & Expansion	TAMI, Advertising

Residential Market

In general, Lower Manhattan has experienced significant residential growth over the past decade, during which time the residential population in the area has doubled. Currently there are 33,223 units in 336 mixed-use and residential buildings. There are additional 2,900 units in 16 buildings under construction or planned for development with 35 percent of the inventory planned as rental units and 65 percent planned as condominium properties.

The following chart summarizes residential development planned through 2021.

Lower Manhattan Residential Development

Source: Downtown Alliance

	Address	Lease / Building Type	Units	Open Date
Condo / Rental Units Under Construction		**TOTAL**	**2,042**	
1	33 Park Row	Condo New Construction	31	2019
2	30 Warren Street	Condo New Construction	23	2019
3	25 Park Row	Condo New Construction	110	2019
4	161 Maiden Lane	Condo New Construction	80	2020
5	45 Park Place	Condo New Construction	50	2020
6	69 West Broadway	Condo New Construction	24	2020
7	77 Greenwich Street	Condo New Construction	90	2020
8	One Wall Street	Condo Conversion	566	2020
9	130 William Street	Condo New Construction	244	2020
10	125 Greenwich Street	Condo New Construction	273	2021
11	2 Washington Street	Rental Conversion	345	2021
12	45 Broad Street	Condo New Construction	206	2021
Condo / Rental Units In Development		**TOTAL**	**795**	
1	265 Broadway	Hotel/Condo New Construction	37	2021
2	185 Broadway	Rental New Construction	279	2021
3	75-83 Nassau Street	Rental/Condo New Construction	229	2021
4	3 Platt Street	Rental New Construction	250	TBD
TOTAL UNITS IN THE PIPELINE			**2,837**	

Retail Market

Now over 15 years after the devastation caused by the 9/11 attacks, the Lower Manhattan real estate market has rebounded and is more diversified than it was previously. Lower Manhattan is one of the country's most significant business districts, a rapidly developing residential district, and a growing international tourist destination. Over the past ten years, Lower Manhattan has benefited from investments in public transit improvements, new office and residential towers, retail space, hotels, parks and cultural institutions. With various commercial relocations, Lower Manhattan's private sector employment rose to its highest level since the end of 2001. Additionally, an increased residential value perception has influenced the development of more than 1,200 residential units. This growth of Lower Manhattan has increased demand for retail space. To capture this need, an expansion of 2.92 million square feet of retail will be completed. By the end of 2019, Lower Manhattan will have more than 7.28 million square feet of retail – an expansion of 2.92 million square feet since 2014. In the third quarter alone, 27 new retailers opened, netting 1,187 stores and restaurants currently.

As the first buildings of the World Trade Center complex, as well as the 9/11 memorial, 9/11 museum, Fulton Transit Center, and World Trade Center Transportation Hub opened, many landlords and retailers have taken notice and are upgrading or expanding their retail footprints. From high-end shops to boutiques to popular chains, there is an influx of well-known brands such as Hermes, Burberry, Equinox, Soul Cycle, Zara, Urban Outfitters, and Tiffany. Spending power in the area remains strong as the retail market continues to thrive.

In August 2016, ***Westfield World Trade Center*** officially opened 368,000 square feet of new retail, dining and entertainment space in the World Trade Center Transportation Hub, the base of 3 and 4 World Trade Center. The Oculus, designed by Santiago Calatrava, now showcases over 100 stores and restaurants including Starbucks, Joe Coffee, Neuhaus, and Wasabi Sushi & Bento. Highly acclaimed chef Daniel Humm has announced the opening of a new casual restaurant overlooking the Oculus. This iconic center features a collection of customer amenities, world-class events, and specialty shops and has become a popular leisure attraction in the area.

Following the opening of the Fulton Center transportation hub in November 2014, a 350-foot-long concourse opened in May 2016 connecting the Fulton Center and the World Trade Center Transportation Hub. This connection has improved safety for pedestrians and has provided an underground link to two major retail areas. The Fulton Center transportation hub improved connections between nine subway lines and five subway stations, while the World Trade Center Transportation Hub connects 11 different subway lines in addition to the PATH trains and the Battery Park City Ferry. The Fulton Center transportation hub and World Trade Center Transportation Hub serve 300,000 commuters each day.

Brookfield Place (formerly the World Financial Center) opened in 2015 and has recently debuted new retailers including Suit Supply, Allen Edmonds, and a Peloton showroom. Previously established retail luxury tenants include Hermès, Salvatore Ferragamo and Ermenegildo Zegna, Theory, Michael Kors, and Diane Von Furstenverg. Additionally, Oliver Peoples has signed a 10-year lease to open 626 square feet of retail space in the Winter Garden. New restaurants planned to open in the space include Del Frisco's Grille and Italian eatery, Sant Ambroeus.

The ***Seaport District*** has opened several new retailers in 2018, including the Pier 17 rooftop which is managed by Live Nation; Malibu Farm, a popular Pacific Highway restaurant will open a 6,000 square foot

restaurant on Pier 17, along with several restaurants by Jean-George Vongerichten, David Chang, and Andrew Carmellini.

According to the Alliance for Downtown New York, Lower Manhattan has an annual spending power of 7.1 billion dollars. Lower Manhattan retail continued to expand with more than 7.28 million square feet of retail, an expansion of 2.92 million square feet since 2014. This trend expands beyond major retail anchors that previously exist in the district, and now include brands like Nobu, Anthropologie, Chick-fil-A, Milk Bar, Fuku, Artichoke Basille's Pizza, Juice Brothers, Crunch Fitness, and Treadwell Park. With increasing population, employment and tourism trends, many expect that high-end retailers will continue to capitalize on the increase in pedestrian traffic, and that prime locations with the heaviest foot traffic should continue to achieve rents at rates similar to now.

Transportation

The subject is centralized with regard to transportation facilities. The subject property is located within blocks of 13 different subway lines, including the 4, 5, 6, N, R, W, J, Z, A, C, 2, 3, and E trains. The subject is also in close proximity to the World Trade Center PATH station, providing access to New Jersey.

Opened in November 2014, the Fulton Center transportation hub in Lower Manhattan provides access to nine MTA subway lines and five subway stations. The subject site is adjacent to the Fulton Center, which is connected to the World Trade Center Transportation Hub via an underground throughway. The opening of the Oculus in August 2016 provided increased transportation access with connections to two additional subway lines as well as PATH trains and the Battery Park City Ferry.

Major thoroughfares in the area include Broadway, West Street, FDR Drive, and Water Street. The Brooklyn Bridge is accessed via Park Row, Centre Street, and Frankfort Street, and provides linkage to Brooklyn Heights across the East River in the Brooklyn borough of New York City. The entrance to the Brooklyn-Battery Tunnel is located on West Street and provides access to the Brooklyn-Queens Expressway and Gowanus Expressway in Brooklyn.

In addition to the numerous subway lines with stations in the neighborhood, Lower Manhattan is connected to other areas via the NY Water Taxi, SeaStreak ferry service, PATH service to New Jersey, ferry service to Staten Island, and ferry service to various New Jersey locations.

The Staten Island Ferry is a popular mode of transportation in the Downtown area. The ferry runs between St. George on Staten Island and Whitehall Street in Lower Manhattan. The NYC Department of Traffic is partially responsible for operating and maintaining the nine-vessel fleet, as well as the terminals on both the Staten Island and Manhattan sides. The ride is approximately 5 miles and roughly 25 minutes long. The ferry services approximately 22 million people annually between Manhattan and Staten Island, the most voluminous commuter ferry operation in the country. The Whitehall Ferry Terminal was officially reopened on February 8, 2005, after the terminal underwent a $201 million renovation, nearly doubling the terminal in size. Not only does the Staten Island Ferry act as a form of transportation, but it has also come to function as a tourist attraction, as the ferry ride provides unobstructed views of the New York Harbor including the Statue of Liberty and is free of charge.

Since 2005, $6.4 billion has been invested into transit improvements in Lower Manhattan.

Tourism

With a growing attendance in Lower Manhattan attractions such as Statue of Liberty and Ellis Island after a brief closing due to Hurricane Sandy, the area experienced approximately 14.6 million visitors in 2018, an increase of 7.0 percent from 2017. Tourism has also been strengthened by the National September 11 Memorial, which has recorded more than 28 million visitors since it opened in September 2011, while the Museum has had more than 10 million visitors since its opening in May 2014. In addition, the opening of the One World Observatory in May 2015 contributed to the tourism boost in Lower Manhattan. Of Lower Manhattan visitors, more than eleven percent stay at a hotel in Lower Manhattan, averaging a length of stay of five days.

Lower Manhattan Hotel Market

According to the Alliance for Downtown New York, Lower Manhattan reportedly has 37 hotels currently open and operating, featuring 7,945 rooms. By this metric, "Lower Manhattan" is defined as the area south of City Hall. Currently, 15 hotels are in the development pipeline, adding nearly 1,789 rooms to the Lower Manhattan hotel market. The total inventory for the area is expected to be nearly 9,734 hotel rooms by 2022.

Below is the current hotel inventory and development pipeline for Lower Manhattan, which displays the information previously discussed.

Lower Manhattan Hotel Inventory

October 2019

Source: Downtown Alliance

	Name	Location	Rooms	Year Open	Owner/ Developer	Hotel Class/ Status	Meeting Space (SF)
Existing Hotels (South of Chambers Street):							
1	Millennium Hilton New York Downtown	55 Church Street	569	1992		Upper Upscale	3,550
2	New York Marriott Downtown	85 West Street	513	1994	Host Hotels & Resorts	Upper Upscale	20,220
3	Radisson Wall Street	52 William Street	289	1995	McSam Hotel Group	Upper Upscale	5,451
4	Wall Street Inn	9 South William Street	46	1999		Independent	580
5	The Wagner Hotel at the Battery	2 West Street	298	2002	Highgate	Luxury	12,956
6	Conrad New York Downtown	102 North End Avenue	463	2004	Goldman Sachs	Luxury	17,571
7	Eurostars Wall Street Hotel	129 Front Street	54	2006		Independent	-
8	Hampton Inn Manhattan-Seaport-Financial District	320 Pearl Street	65	2006	Metro One Hotel LLC	Upper Midscale	-
9	Gild Hall – a Thompson Hotel	15 Gold Street	130	2007	LaSalle Hotel Properties	Luxury	4,675
10	Holiday Inn New York City – Wall Street	51 Nassau Street	113	2008	Metro One Hotel LLC	Upper Midscale	-
11	AKA Tribeca	85 West Broadway	100	2009	Tribeca Associates	Luxury	3,000
12	Club Quarters, World Trade Center	140 Washington Street	252	2009	Masterworks Dev	Upper Upscale	5,451
13	Andaz Wall Street	75 Wall Street	253	2010	The Hakimian Organization	Luxury	10,500
14	Holiday Inn Express New York City – Wall Street	126 Water Street	112	2010	Hersha Hospitality	Upper Midscale	-
15	World Center Hotel	144 Washington Street	169	2010	Masterworks Dev	Independent	2,058
16	W New York - Downtown	123 Washington Street	217	2010	The Moinian Group	Luxury	2,086
17	Doubletree by Hilton Hotel New York City – Financial Dist	8 Stone Street	399	2010	Magna Hospitality Group	Upscale	234
18	Hampton Inn Manhattan/Downtown – Financial District	32 Pearl Street	81	2014	Hersha Hospitality Trust	Upper Midscale	
19	Holiday Inn Manhattan – Financial District	99 Washington Street	492	2014	McSam Hotel Group	Upper Midscale	-
20	Residence Inn New York Manhattan/World Trade Center	170 Broadway	243	2014	Highgate, Crown, Carlyle Group	Upscale	5,514
21	Fairfield Inn New York Manhattan/Financial District	161 Front Street	176	2015	Lam Group	Upper Midscale	-
22	Aloft Manhattan Downtown – Financial District	49 Ann Street	128	2015	107 West Broadway Realty Corp	Upscale	400
23	Lyric	70 Pine Street	132	2015	Rose Assoc. / Furnished Quarters	Independent	250
24	Four Points by Sheraton New York Downtown	6 Platt Street	262	2016	Lam Group	Upscale	11,500
25	Down Town Association	60 Pine Street	33	2016	Down Town Association	Independent	-
26	AKA Wall Street	84 William Street	140	2016	Prodigy Networks	Luxury	-
27	The Beekman Hotel – a Thompson Hotel	123 Nassau Street	287	2016	GB Lodging Group, Thompson Hotels	Luxury	4,700
28	Four Seasons New York Downtown	27 Barclay Street	189	2016	Silverstein Properties	Luxury	6,815
29	Courtyard by Marriott Downtown Manhattan/WTC	133 Greenwich Street	326	2016	Union Investment Real Estate GmbH	Upscale	320
30	Hilton Garden Inn NYC Financial Center/Manhattan Down	6 Water Street	250	2017	Magna Hospitality Group	Upscale	290
31	Fairfield Inn & Suites Downtown Manhattan/WTC	100 Greenwich Street	192	2017	McSam Hotel Group	Upper Midscale	-
32	The Assemblage	17 John Street	79	2018	Prodigy Networks	Independent	44,000
33	Mr. C Seaport	33 Peck Slip	66	2018	Atlantic Pearl / Cipriani	Luxury	-
34	AC Hotel New York Downtown	151 Maiden Lane	271	2018	Fortis Property Group	Upscale	150
35	Moxy NYC Downtown	26 Ann Street	298	2018	Tribeca Associates	Upper Midscale	5,000
36	Sonder	20 Broad Street	169	2019	MetroLoft / Sonder	Independent	-
37	The Artezen Hotel	24 John Street	89	2019	Westbury Realty Assoc. / BD Hotels	Independent	-
		Total Existing:	**7,945**	**37**			
Development Status (South of Chambers Street):							
38	Marriott Residence Inn (upper floors)	215 Pearl Street	120	2019	Lam Group	Under Construction	
39	Courtyard by Marriott (lower floors)	215 Pearl Street	200				
40	The Fidi Hotel	11 Stone Street	143	2020	Premier Emerald LLC	Under Construction	
41	Hotel Indigo	120 Water Street	128	2020	Atlas Hospitality	Under Construction	
42	Casa Cipriani at Battery Maritime Building	10 South Street	41	2020	Centaur / Cipriani / Midtown Equities	Under Construction	
43	Aloft Hotel	50 Trinity Place	173	2021	Fit Investment Corporation	Under Construction	
44	TBD Hotel	88 Wall Street	181	2021	Actium Develoment	Under Construction	
45	TBD Hotel	112 Liberty Street	230	2021	Hidrock Realty	Planned	
46	TBD Hotel by Firmdale Hotels	86 Warren Street	70	2021	Soil Management	Planned	
47	Hotel Indigo	8-12 Maiden Lane	190	TBD	10-12 MLane, LLC	Planned	
48	TBD Hotel	265 Broadway	80	TBD	Roe Corporation	Planned	
49	TBD Hotel at American Stock Exchange	123 Greenwich Street	174	TBD	Clarion Partners / GHC Development	Planned	
50	TBD Hotel	212 Pearl Street	48	TBD	Chson LLC	Planned	
51	TBD Hotel	140-142 Fulton Street	TBD	TBD	Hidrock Realty	Planned	
52	TBD Hotel	21 Park Place	11	TBD	Tom A Grainger	Planned	
		Total Under Construction:	**986**	**7**			
		Total in the Pipeline:	**1,789**	**15**			
		Grand Total	**9,734**	**52**			

Lower Manhattan is proving stability and showing growth patterns in both occupancy and rate. While New York City's ADR is reportedly $30 more than Lower Manhattan's, the area has remained unchanged year-over-year, reaching $261 in Q3 2019. Recently published data reveals that Lower Manhattan is seeing occupancy rates just below citywide averages, reporting 88.5 percent in Q3 2019. Additionally, demand has appeared to align with the growing supply of hotels in Lower Manhattan, and there is no indication that it might waver, reflecting strong year-over-year occupancy. The area's strong performance can be attributed to record-breaking tourism over recent years, expanded retail, and repositioned and expanded office space.

Conclusion

The subject area is improved primarily with Class A office buildings, with retail and service establishments located at street level, as well as residential towers and hotels. The neighborhood benefits from its proximity to numerous New York City demand generators including the World Trade Center, September 11 Memorial and Museum, Freedom Tower, and Wall Street, as well as a plethora of transportation options. The subject neighborhood is considered to be conveniently located and well positioned for future growth. We anticipate that going forward the subject neighborhood will continue to transform and experience notable growth as a commercial, residential, and tourist market.

National Lodging Market Analysis

National Market

While the U.S. continues to be in the midst of its longest uninterrupted economic expansion in modern history, slowing growth metrics along with abundant geopolitical uncertainties are heightening perceived risk of impending recession. Concerns include:

- U.S. GDP growth is decelerating and during the near-term increases are anticipated to remain modest;
- The Conference Board's consumer confidence index fell to 125.1 in September, down from a revised August 2019 reading of 134.2;
- Trade with Canada and Mexico falls into the same uncertainty now gripping U.S. relations with China and Europe. A failure of Congress to ratify a new NAFTA deal which will govern trade relations with these two neighboring countries is a warning sign that illustrates how political volatility could drag down the U.S. economy even if its fundamentals remain strong;
- The Federal Reserve Bank of New York's recession probability indicator, which gauges the likelihood of a recession within the coming 12 months, rose steeply from around 10 percent at the beginning of 2019 to 37.9 percent in August;
- An inverted interest rate yield curve has endured for several months, a phenomenon that has signaled each U.S. economic recession since 1950;
- Ultra-low interest rates continue to trend downwards. While this is a positive for borrowers, it is also raising speculation that America is destined for negative yields like where Japan and much of Europe have been stuck for some time;
- Washington DC is currently in an impeachment frenzy;
- Unknown effects of Brexit which depend on whether the UK leaves with a withdrawal agreement, or before an agreement is ratified ("no-deal" Brexit);
- In response to a proposed extradition bill, which included an agreement with mainland China, since June, Hong Kong has been subject to mass demonstrations with continuous violent clashes and rioting;
- The Middle East is currently more combustible than ever. Conflict(s) resulting in global ramifications could break out in various cites/countries for a multitude of reasons;

Despite daily warnings of possible economic fragility, jobs creation statistics remain relatively steady and personal incomes continue to grow, both of which could sustain the financial system during whatever rough patches may be encountered. Not everyone believes a recession is imminent, and contrarians can point to other metrics that paint a much sunnier picture. Either way, the prevailing view seems to be that when the next recession hits, it will be less severe than the last one.

Through this past August the U.S. hotel industry's expansion cycle reached 114 months, as hotel revenue per available room (RevPAR) declined year over year only two months during this period, namely during August 2018 and in June 2019. Generally, national hotel supply and demand growth are in equilibrium resulting in relatively flat occupancy levels and lackluster RevPAR growth stemming from average daily rate increases barely equal to inflation (and decelerating).

America's hotel sector has been operating at peak levels for the past three years as an expanding economy has readily absorbed accelerated supply growth in most markets. Notwithstanding rising salary and wage rates and slowing revenue growth, operators have controlled costs sufficiently to achieve GOP margins at their highest levels since the 1960s. With everything said, the near-term lodging outlook appears choppy as prognosticators have downgraded projected 2020 national RevPAR growth.

The LW Hospitality Advisors (LWHA) Q3 2019 Major US Hotel Sales Survey includes 41 single asset sale transactions over $10 million, none of which are part of a portfolio. These transactions totaled $3.725 billion and included approximately 13,100 hotel rooms with an average sale price per room of $283,000. By comparison, the LWHA Q3 2018 Major U.S. Hotel Sales Survey identified 57 transactions totaling roughly $6.4 billion including 15,300 hotel rooms with an average sale price per room of nearly $419,000. With more than 28 percent fewer trades and a 42 percent decline in total sale dollar volume during Q3 2019, the U.S. hotel transaction market has clearly slowed down when compared to Q3 2018 along with a growing disconnect between seller prices and buyers' bids.

Notable observations from the LWHA Q3 2019 Major U.S. Hotel Sales Survey include:

- Twelve or roughly 30 percent of the total number of Q3 2019 sale transactions occurred in two states;
    - With seven Q3 2019 hotel sales, Florida continues to be the most active transaction market followed by five trades in California;
- NYC continues to experience a challenging environment for hotel investment as only one sale occurred during Q3 2019 subsequent to zero during Q2 2019;
- Ten of the 42, or almost a quarter of Q3 trades, were for greater than $100 million each;
    - Six of the Q3 trades were between $100 and $200 million.
    - Two of the Q3 trades were between $200 and $400 million;
        - Premier Group WLL based in Bahrain acquired the 215 room Four Seasons Hotel One Dalton Street, Boston for $268 million, or $1.250 million per unit from Carpenter & Company, Inc. who recently developed the property with a 61-story mirrored glass tower that separately includes a 160 Four Seasons Private Residences;
        - Blackstone purchased the 1,260 room Hyatt Regency Atlanta for $355 million or $282,000 per unit from Hyatt Hotels Corporation who will continue to operate the facility. Opened in 1967, the Hyatt Regency Atlanta was designed by

internationally acclaimed architect John C. Portman, Jr. and was the first contemporary atrium-style hotel ever constructed;

- Two Q3 trades occurred above $500 million each;
  - Caesars Entertainment Corporation (Caesars) sold the 2,548-unit Rio All-Suites Hotel & Casino in Las Vegas to Imperial Companies for $516.3 million, or $203,000 per unit. Caesars will continue to operate the property pursuant to a lease for a minimum of two years at $45 million in annual rent. The transaction also provides the buyer an option to pay Caesars an additional $7 million for the extension of the lease under similar terms for a third year. Caesars reportedly will retain its rewards customers and the hosting rights to the annual the World Series of Poker;
  - A joint venture between Trinity Real Estate Investments LLC and Elliott Management Corporation acquired the 950 room JW Marriott Phoenix Desert Ridge Resort & Spa for $602 million, or $634,000 per unit;

- Suffolk University's acquisition of the Ames Boston Hotel highlights several trends:
  - Universities are challenged to obtain adequate land and student housing, particularly in urban locations;
  - Development sites in urban gateway markets in the U.S. are trading at a premium;
  - Investors and real estate users have become more creative, and are willing to pay up in order to meet their objectives, and;
  - Supply of hotel rooms does not always grow. Fluctuating markets often result in changing highest and best property uses culminating in lodging facilities being converted or demolished to make way for alternative income producing opportunities.

- GIC Private Limited, formerly known as Government of Singapore Investment Corporation entering into a joint venture with Summit Hotel Properties to acquire the 88-guestroom Hampton Inn & Suites in Silverthorne, CO is intriguing. An overseas sovereign wealth fund investing 49 percent of a $25.5 million capitalization in a Rocky Mountain town is illustrative of global capital chasing yield by seeking opportunities in a relatively small sized deal situated in a rural resort area;

- Sophisticated hotel centric investors continue to execute capital recycling strategies within the lodging sector. Entities that are active purchasers and sellers of hotels include:
  - Ashford Hospitality Trust
  - Blackstone
  - Brookfield Property Partners L.P.
  - Clearview Hotel Capital
  - Columbia Sussex Corporation
  - Elliott Management Corporation
  - GAW Capital Partners
  - Highgate

- Host Hotels & Resorts Inc.
- Hyatt Hotels Corporation
- Noble Investment Group
- Park Hotels & Resorts
- Peachtree Hotel Group
- Pebblebrook Hotel Trust
- RLH Corporation
- Starwood Capital Group
- Summit Hotel Properties
- Trinity Real Estate Investments
- Wheelock Street Capital
- White Lodging

Additional commentary on the U.S. hotel market based upon my observations:

- With enormous amounts of equity from all over the globe chasing yield at this stage in the cycle, the hotel sale transaction market remains relatively robust. Savvy investors continue to see compelling rationales to capitalize on opportunities to obtain irreplaceable locations and buildings, evidenced in part by the reported frenzied bidding amongst more than a dozen investor groups for Anbang Insurance Group's 15 property $5.8 billion luxury hotel portfolio;

- M&A activity in the sector also remains robust as demonstrated by:

  - The recently announced merger of two significant independent hotel operators, namely Aimbridge Hospitality and Interstate Hotels & Resorts which will result in a combined management portfolio of more than 1,400 hotel properties in 49 states and 20 countries, and;

  - Park Hotels & Resorts Inc. closing its $2.5 billion acquisition of Chesapeake Lodging Trust;

- Secondary and/or tertiary cities such as Charlotte, Houston, Salt Lake City, and Tampa continue to evolve into attractive markets for investors challenged to identify quality hospitality investment opportunities in high priced first-tier cities such as Boston, Los Angeles Miami, New York, and San Francisco;

- The sector continues to be flush with CMBS and other debt products which support lower all in borrowing costs and often provide a compelling thesis to refinance owned assets and return equity, versus placing them on the market for sale;

- A continued strong U.S. dollar and political factors are contributing to weakened inbound international travel trends which places negative pressure on hotel performance in several gateway markets including New York, San Francisco and Washington DC;

- Operating expense models have changed across the industry, particularly in union markets. A higher proportion of costs are now fixed rather than variable with occupancy, particularly labor, as government and/or union work rules have created challenges to flexing schedules;

- Several markets have passed legislation imposing stricter restrictions on alternative accommodations such as AirBNB and VRBO which should drive incremental compression hotel room nights;

- The Hotel Advertising Transparency Act of 2019, a bipartisan bill was recently introduced in the U.S. House of Representatives that if ratified would prohibit resort/amenity/facility and other fees from being introduced to travelers late in the booking process. Fees have become increasingly popular at full service and resort properties, and as ADR growth has slowed these high margin revenues enhance net operating income while remaining competitive in terms of the advertised room rate. Added disclosure and full pricing transparency should create a more level playing field, but certain hotels' relative value proposition could be negatively impacted in the eyes of price-sensitive consumers.

Although perceived risks to a positive outlook are evolving, the U.S. economy remains resilient, though risks to a positive outlook are mounting. Economic and geopolitical uncertainty is negatively impacting cross-border transaction volumes and in the near-term broader growth uncertainties will remain a headwind for global investor sentiment. History has proven that a late cycle mind set positions markets to be more intensified towards signs of difficulties, and that such sentiments can “talk the market down” and turn into a self-fulfilling prophecy and induce a recession.

Everything in life is relative. Consider that during the Great Recession of a decade ago, on average the U.S. lodging industry produced profits, albeit lower than prior years. During the economic recession of the early 1990’s, coupled with the negative effects of the Persian Gulf War, the U.S. hotel industry was largely unprofitable. Although growth of current record high lodging fundamentals may be slowing, nonetheless future growth is anticipated to endure.

Due in part to the lack of long-term credit worthy tenancies and that with continuous resetting of room rates, hotels are fundamentally long-term investments. At any point in a cycle, shrewd lodging investors that pay market prices predicated upon underwriting (not necessarily holding) a minimum ten-year projection period tend to realize healthy returns.

Hotel Transaction Volume

Global hotel transaction volume in calendar year 2018 increased slightly over 2017 level to an estimated $67.7 billion. The Jones Lang LaSalle (JLL) forecast for 2019 indicates that the global economic and real estate markets are expected to move towards slower growth in 2019, though holding steady to 2018 levels with a 2019 global transaction volume forecast of $67.2 billion. As indicated below, year-over-year increases in the Asia-Pacific region are expected to somewhat offset expected declines and limited growth in the EMEA and Americas sectors.

A number of factors will play a crucial role in 2019, including (1) increasingly volatile equity markets; (2) slower economic growth projections; (3) an uncertain pace of future interest rate hikes; (4) trade tensions between the U.S. and China; and (5) political uncertainty in the UK, France and Italy.

Global Hotel Transaction Volumes				
	Americas	***EMEA***	***Asia Pacific***	***Total***
2015 (in billions)	$46.4	$29.2	$9.2	$84.8
2016 (in billions)	$31.0	$20.5	$8.5	$60.0
2017 (in billions)	$28.2	$24.7	$13.5	$66.4
2018 (in billions)	$36.5	$22.9	$8.3	$67.7
2019F (in billions)	$36.5	$21.2	$9.5	$67.2
2018/2019 Percent Change	*Flat*	*-5% - 10%*	*15%*	*Flat*
Source: Jones Lang LaSalle				

Recent years have seen new investors and investment strategies emerge, enabling investors to enter hotel real estate in ways beyond direct acquisition of assets, such as debt investments, strategic joint ventures, recapitalizations, and real estate and brand merger and acquisition (M&A) activity, which are expected to continue to be prevalent in 2019.

After a slow start to the year, foreign investment in the US accounted for 12.0 percent of volume in Q2 2019. Cross-border capital is expected to continue following an upward trend in the second half of the year. According to Jones Lang LaSalle, transaction volume was down approximately 28% in H1 2019. The decline in the first half of 2019 is attributable to 70.0 percent less portfolio sales activity. The two largest portfolios by volume to transact in H1 2019 – Noble Investment Group's multi-state hotel portfolio ($229.0 million) and Summit's six-hotel portfolio ($156.8 million) – were primarily comprised of high-quality select service hotels. Single-asset hotel transaction activity remained consistent in H1 2019 relative to H1 2018 at approximately $9.0 billion. Investors remain interested in luxury assets, which are trading for below replacement cost and continue to face a more limited supply pipeline.

Investment Rates

Capitalization rates have remained relatively steady over the past two years, despite slowing hotel income growth and interest rate increases. The latest Q3 2019 Real Estate Investor Survey published by PwC for luxury, full service, limited service and select service properties is illustrated in the following table, as well as the comparison to Q1 2019, Q3 2018, Q1 2018 and Q3 2017:

Hotel Investor Survey									
	Discount Rate			*Overall Cap Rate*			*Residual Cap Rate*		
Type	*Range*		*Average*	*Range*		*Average*	*Range*		*Average*
PwC Hotels									
Luxury/Upper-Upscale									
Q3 2019	6.25%	13.00%	9.55%	4.00%	9.50%	7.05%	5.50%	9.50%	7.33%
Q12019	6.25%	13.00%	9.55%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q3 2018	6.25%	12.00%	9.45%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q1 2018	6.50%	12.00%	9.50%	4.00%	9.00%	7.05%	5.50%	9.50%	7.23%
Q3 2017	6.50%	12.00%	9.53%	4.00%	9.00%	7.03%	5.00%	9.50%	7.18%
Full Service									
Q3 2019	8.00%	11.00%	9.90%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q12019	8.00%	11.00%	9.70%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q3 2018	8.00%	13.00%	10.20%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q1 2018	8.00%	13.50%	10.33%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q3 2017	8.00%	13.00%	10.19%	6.00%	10.00%	7.85%	7.00%	10.00%	8.44%
Limited Service*									
Q3 2019	8.00%	14.00%	10.55%	7.50%	12.00%	9.15%	7.75%	12.00%	9.48%
Q12019	8.50%	14.00%	10.80%	7.50%	11.00%	9.05%	7.75%	12.00%	9.53%
Q3 2018	8.50%	13.00%	10.50%	7.50%	11.00%	9.15%	7.75%	11.00%	9.38%
Q1 2018	8.50%	13.00%	11.00%	7.50%	11.00%	9.15%	7.75%	11.00%	9.78%
Q3 2017	8.50%	13.00%	11.00%	7.50%	11.00%	9.08%	7.75%	11.00%	9.83%
Select Service**									
Q3 2019	8.00%	12.00%	10.30%	6.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q12019	8.00%	12.00%	10.10%	7.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q3 2018	8.00%	11.00%	9.55%	7.00%	10.00%	8.50%	7.00%	10.00%	8.75%
Q1 2018	7.50%	12.00%	9.90%	6.50%	10.00%	8.56%	7.00%	10.75%	8.93%
Q3 2017	8.00%	12.00%	10.20%	6.50%	10.00%	8.70%	7.00%	10.75%	9.08%

** Limited Service includes midscale and economy lodging with rooms only*

*** Select Service includes upscale and upper-midscale lodging with rooms only.*

Source: PwC Real estate Investor Survey - Q3 2019

PwC indicates that the U.S. lodging industry appears to be at an inflection point, driven by a combination of decelerating demand growth as well as continued economic and global trade risks. Second quarter 2019 results came in significantly below expectations with ADR levels up 1.2% and occupancy levels down 0.1%, resulting in a tepid RevPAR increase of 1.1%. Between flattening occupancy and an overall lack of pricing power, RevPAR grew at a modest level, as hotels traded occupancy for rate. U.S. lodging performance continued to experience headwinds in July, characterized by anemic RevPAR growth.

Looking ahead to the remainder of 2019, the near-term U.S. lodging outlook remains choppy with unemployment expected to reach a cyclical low by the end of this summer at around 3.5%, GDP growth decelerating, and consumer spending softening. In 2020, U.S. lodging supply and demand growth are expected to moderate, resulting in a very slight decline in occupancy. Rising inflation is expected to support marginal growth in ADR, resulting in an expected RevPAR increase of 1.0% for 2020, the lowest rate in a decade.

According to CBRE's H1 2019 Cap Rate Survey, cap rate movement reflected the disparate supply -and-demand dynamics across the country. STR data for H1 2019 indicates greater supply growth than demand growth (2.5% versus 1.3%) in the top-25 markets and greater demand growth than supply growth (2.6% versus 1.8%) in other hotel markets. The most dramatic cap rate increases occurred among full-service and economy classes in Tier I cities. Every market class in Tier III cities recorded declines in hotel cap rates, the most noteworthy of which was a 9-bp drop in economy class. Combined with other anecdotal evidence collected by CBRE, this suggests that investor interest in small markets is growing. Evidence suggests that the pace of CBD hotel room supply additions is quickening. STR data revealed a widening spread between supply and demand growth throughout H1 2019, which is influencing investor bidding.

CBRE cap rate forecast trends vary by specific market and property class however the overall majority indicate relative stability over the near-term future (six-month outlook).

CBRE Hotel Capitalization Rates									
	City	Luxury		Full Service		Select Service		Economy	
		CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)	CBD Stabilized Cap Rates (%)	Suburban Stabilized Cap Rates (%)
Tier I	Boston	4.00 - 6.50	6.50 - 7.50	5.50 - 7.00	7.50 - 8.00	6.50 - 7.50	7.50 - 8.50	-	8.00 - 9.00
	Chicago	6.75 - 7.50	7.50 - 8.75	7.00 - 8.75	8.00 - 10.00	7.25 - 8.25	8.50 - 9.50	9.50 - 10.75	10.00 - 12.00
	N.CA: Oakland	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.00 - 8.00	8.50 - 10.50	8.00 - 9.00	9.50 - 11.50	9.50 - 11.50
	N.CA: San Francisco	6.00 - 7.00	7.00 - 8.00	7.00 - 8.00	8.00 - 9.00	8.00 - 9.00	9.50 - 10.50	8.50 - 10.50	9.50 - 11.50
	N.CA: San Jose	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.00 - 8.00	8.50 - 10.50	8.00 - 9.00	9.50 - 11.50	9.50 - 11.50
	NY: N. New Jersey	6.25 - 6.75	7.00 - 7.75	6.75 - 8.25	7.50 - 9.00	7.75 - 8.75	7.75 - 9.00	8.00 - 9.00	9.00 - 10.50
	NY: New York City	4.50 - 5.50	6.50 - 8.00	6.50 - 7.50	7.50 - 9.00	6.75 - 8.00	7.75 - 9.50	8.00 - 9.00	9.00 - 11.00
	S.CA: Inland Empire	7.25 - 9.00	7.25 - 9.00	7.50 - 9.25	7.50 - 9.25	7.25 - 9.25	7.25 - 9.25	8.00 - 10.00	8.00 - 10.25
	S. CA: Los Angeles	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	7.75 - 9.00
	S.CA: Orange County	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	7.75 - 9.00
	S.FL: Fort Lauderdale	7.00 - 8.00	7.50 - 8.50	7.50 - 8.50	8.25 - 9.25	8.00 - 9.00	8.50 - 9.50	9.00 - 10.00	9.50 - 10.50
	S.FL: Miami	6.25 - 7.00	7.00 - 7.75	6.75 - 7.75	7.75 - 8.75	8.00 - 8.50	8.75 - 9.25	9.00 - 10.00	9.50 - 10.25
	S.FL: West Palm Beach	8.00 - 8.50	8.25 - 9.00	8.00 - 8.75	8.50 - 9.50	8.50 - 9.50	9.00 - 10.00	9.00 - 10.00	9.50 - 10.50
	San Diego	5.50 - 8.00	6.00 - 8.00	6.50 - 8.00	6.75 - 8.00	6.75 - 8.00	6.75 - 8.25	7.75 - 9.00	8.25 - 9.25
	Seattle	6.00 - 6.50	6.75 - 7.75	6.25 - 7.00	7.75 - 8.50	6.75 - 7.25	7.75 - 8.50	8.50 - 9.25	9.50 - 10.50
	Washington D.C.	4.50 - 6.00	6.00 - 7.50	6.00 - 7.00	6.50 - 8.50	6.50 - 7.50	7.50 - 9.00	7.00 - 8.00	8.50 - 9.50
Tier II	Atlanta	6.50 - 8.00	7.00 - 8.25	7.25 - 8.50	7.75 - 9.00	7.75 - 9.00	8.25 - 9.50	8.50 - 9.75	9.50 - 11.00
	Austin	6.50 - 8.00	7.00 - 8.25	7.25 - 8.50	7.75 - 9.00	7.75 - 9.00	8.25 - 9.50	8.50 - 9.75	9.50 - 11.00
	Baltimore	6.50 - 7.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.25 - 9.25	8.00 - 9.50	8.50 - 10.00
	Dallas/Fort Worth	7.50 - 8.50	7.50 - 8.50	7.75 - 8.75	7.75 - 8.75	7.50 - 8.25	7.75 - 9.00	8.00 - 10.00	8.50 - 11.00
	Denver	6.00 - 6.50	7.00 - 7.50	7.00 - 7.50	8.00 - 8.75	7.50 - 8.25	8.00 - 8.75	8.25 - 9.00	8.50 - 9.50
	Houston	7.55 - 8.50	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	8.50 - 10.75	9.00 - 10.75
	Las Vegas	7.00 - 8.00	7.25 - 8.25	7.75 - 8.75	7.75 - 8.75	8.00 - 9.50	8.00 - 9.50	9.00 - 10.25	9.00 - 10.25
	Minneapolis/St. Paul	7.25 - 8.25	7.50 - 8.25	7.25 - 8.50	8.25 - 9.75	7.75 - 8.75	8.50 - 10.00	8.25 - 10.25	9.25 - 10.75
	Nashville	7.50 - 8.00	7.75 - 8.00	7.75 - 8.25	8.25 - 9.50	7.75 - 8.50	8.75 - 9.50	9.75 - 10.50	10.00 - 10.75
	Orlando	6.00 - 7.50	6.50 - 7.75	6.75 - 8.00	7.00 - 8.50	8.00 - 8.75	8.25 - 9.00	9.25 - 10.00	9.25 - 10.00
	Philadelphia	6.00 - 6.50	6.50 - 7.00	6.50 - 8.25	7.75 - 8.50	7.50 - 8.50	7.75 - 8.50	8.75 - 9.25	10.00 - 10.50
	Phoenix	6.75 - 6.75	6.75 - 6.75	7.75 - 7.75	7.75 - 7.75	7.50 - 7.50	7.75 - 7.75	9.00 - 9.00	9.25 - 9.25
	Portland	7.25 - 8.25	8.25 - 8.50	7.50 - 8.25	8.25 - 8.50	7.75 - 8.75	8.25 - 9.25	9.00 - 9.75	9.50 - 10.50
	Tampa	6.25 - 7.50	6.50 - 7.75	7.00 - 8.25	7.25 - 8.50	8.00 - 9.00	8.25 - 9.00	9.25 - 10.00	9.25 - 10.00
Tier III	Albuquerque	7.25 - 8.25	7.75 - 8.50	7.75 - 9.00	8.25 - 9.25	8.25 - 9.00	8.25 - 9.25	9.25 - 10.50	9.25 - 10.50
	Charlotte	6.00 - 8.00	6.50 - 8.00	7.00 - 8.00	7.50 - 9.00	7.00 - 8.50	8.00 - 9.00	8.25 - 10.00	9.00 - 11.00
	Cincinnati	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Cleveland	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Columbus	8.00 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Detroit	8.00 - 8.50	8.00 - 8.75	8.25 - 9.00	9.25 - 10.25	8.25 - 9.00	8.50 - 9.50	10.00 - 11.00	10.75 - 11.75
	Honolulu	5.00 - 7.00	-	-	6.75 - 9.00	-	7.25 - 10.25	-	8.25 - 11.25
	Indianapolis	7.00 - 8.50	8.00 - 9.00	7.50 - 9.00	8.00 - 9.50	7.50 - 8.50	8.25 - 9.25	9.50 - 11.00	9.50 - 11.00
	Jacksonville	6.25 - 7.50	7.00 - 8.00	7.00 - 8.00	7.50 - 8.50	8.00 - 8.75	8.25 - 9.00	9.50 - 10.00	9.50 - 10.00
	Kansas City	7.50 - 8.50	8.00 - 8.75	8.00 - 9.25	8.25 - 9.50	7.75 - 8.75	8.00 - 9.00	9.00 - 11.00	9.25 - 11.50
	New Orleans	7.25 - 7.75	7.50 - 8.50	7.50 - 8.50	8.00 - 9.00	7.50 - 8.50	8.00 - 9.00	8.00 - 9.00	8.50 - 9.50
	Pittsburgh	8.00 - 9.00	8.00 - 9.00	8.25 - 9.50	8.50 - 9.75	8.00 - 9.25	8.25 - 9.50	9.50 - 11.50	9.75 - 11.50
	Oklahoma City	7.50 - 8.50	8.25 - 8.75	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	8.50 - 9.00	9.00 - 10.00	10.00 - 11.00
	Sacramento	7.50 - 9.00	-	8.00 - 9.00	9.00 - 10.00	7.50 - 8.50	7.50 - 8.50	8.50 - 10.00	8.50 - 10.00
	Salt Lake City	6.25 - 7.25	6.75 - 7.75	8.00 - 8.75	8.25 - 9.00	7.25 - 8.25	7.25 - 8.25	8.00 - 9.00	8.00 - 9.00
	San Antonio	-	-	7.00 - 8.00	7.50 - 8.50	7.00 8.00	7.50 9.00	7.50 10.00	8.00 11.00
	Saint Louis	7.50 - 9.50	7.50 - 9.50	7.50 - 10.50	8.00 - 10.50	8.00 - 10.50	8.00 - 10.25	8.50 - 10.50	8.75 - 10.50
Source: CBRE Cap Rate Survey H1 2019									

JF Capital Advisors analyzed the implied 2019 net operating income (NOI) and capitalization rate for the below public hotel trading companies, based on various growth rates of 2.5 percent and 5.0 percent, displayed below.

Implied Cap Rates Based on Assumed Growth									
		2019		2019 NOI [1]			2019 Implied Cap Rate [1]		
Company	Enterprise Value (billions)	NOI [2]	Cap Rate	0.0%	2.5%	5.0%	0.0%	2.5%	5.0%
Hotel REITs									
Host	14,810	1,301	8.8%	1,301	1,367	1,434	8.8%	9.2%	9.7%
Park	10,255	793	7.7%	793	833	874	7.7%	8.1%	8.5%
HPT	8,282	770	9.3%	770	809	849	9.3%	9.8%	10.3%
Ashford	4,904	358	7.3%	358	376	395	7.3%	7.7%	8.1%
Braemar	1,498	105	7.0%	105	110	116	7.0%	7.3%	7.7%
Ryman	5,918	417	7.0%	417	438	459	7.0%	7.4%	7.8%
Sunstone	3,609	276	7.6%	276	290	304	7.6%	8.0%	8.4%
DiamondRock	3,112	222	7.1%	222	233	245	7.1%	7.5%	7.9%
Hersha	2,306	153	6.6%	153	161	169	6.6%	7.0%	7.3%
Pebblebrook	6,381	411	6.4%	411	432	454	6.4%	6.8%	7.1%
RLJ	4,561	433	9.5%	433	455	477	9.5%	10.0%	10.5%
Summit	2,245	167	7.4%	167	175	184	7.4%	7.8%	8.2%
Chatham	1,434	117	8.2%	117	123	129	8.2%	8.6%	9.0%
Apple	5,096	381	7.5%	381	401	420	7.5%	7.9%	8.2%
Xenia	3,450	255	7.4%	255	268	281	7.4%	7.8%	8.1%
AHIP	922	64	6.9%	64	67	70	6.9%	7.3%	7.6%
Condor	275	21	7.6%	21	23	24	7.6%	8.4%	8.7%
Corepoint	1,580	122	7.7%	122	128	134	7.7%	8.1%	8.5%
Sotherly Hotels	533	35	6.6%	35	37	39	6.6%	6.9%	7.3%
Maximum			**9.5%**				**9.5%**	**10.0%**	**10.5%**
Weighted Average			**7.9%**				**7.9%**	**8.3%**	**8.7%**
Weighted Average Excl. Host			**7.7%**				**7.7%**	**8.1%**	**8.5%**
Minimum			**6.4%**				**6.4%**	**6.8%**	**7.1%**

Note: Does not add back corporate G&A which negatively affects EBITDA and NOI assumptions
Note: Includes JF Capital Advisors estimates
(1) Based on growing NOI at the annual growth rate listed
(2) Based on FF&E Reserve of 4.0 percent of revenue

Source: JF Capital Advisors September 2019

Historic Performances & Projections

According to Smith Travel Research (STR), record-breaking performance levels were recorded in 2018. Room demand growth outpaced supply, even though supply growth was the most robust in the industry since 2009. Increases in RevPAR were primarily driven by average daily rate growth over the past four years. The 2.9 percent RevPAR increase recorded in 2018 was the lowest growth rate for the country since the recession that began in December 2007.

Total U.S. Key Statistics							
	YE 2015	*YE 2016*	*YE 2017*	*YE 2018*	*2017/2018 % Change*	*2019 Forecast*	*2020 Forecast*
Room Supply	-	-	-	-	2.0%	-	-
Room Demand	-	-	-	-	2.5%	-	-
Occupancy	65.6%	65.5%	65.9%	66.2%	0.5%	66.3%	66.1%
Average Daily Rate	$120	$124	$127	$130	2.4%	$131.83	$133.70
RevPAR	$79	$81	$84	$86	2.9%	$87.41	$88.40
Source: Smith Travel Research/Tourism Economics							

STR and Tourism Economics downgraded their growth projections for the U.S. hotel industry in August after a previous downgrade in June. The companies had projected revenue per available room to grow 2.3 percent in 2019. In June, they downgraded 2019 growth expectations to 2 percent and 2020 percent growth to 1.9 percent. Now, they've reduced 2019 to 1.6 percent and 2020 to 1.1 percent. With occupancy flat, average daily rate has been the sole driver of any RevPAR increases. The following tables summarize the most recent historical and forecast data for occupancy, average daily rate and RevPAR on a national level by Smith Travel Research and Tourism Economics.

Total U.S. Outlook				
	2017 Actual	*2018 Actual*	*2019 Forecast*	*2020 Forecast*
Supply	1.8%	2.0%	1.9%	1.9%
Demand	2.7%	2.5%	2.1%	1.6%
Occupancy	0.9%	0.5%	0.2%	-0.2%
ADR	2.1%	2.4%	1.4%	1.4%
RevPAR	3.0%	2.9%	1.6%	1.1%
Source: Smith Travel Research				

The following table summarizes 2019 and 2020 occupancy, average daily rate and RevPAR forecasts by chain segment estimated by PwC.

Total U.S. Chain Scale Outlook						
	2019 Forecast			*2020 Forecast*		
Chain Scale	*Occupancy*	*ADR*	*RevPAR*	*Occupancy*	*ADR*	*RevPAR*
Luxury	-2.0%	2.3%	0.2%	-0.1%	2.0%	1.9%
Upper Upscale	-0.9%	1.8%	0.9%	-0.4%	1.2%	0.8%
Upscale	-1.2%	0.8%	-0.4%	-0.3%	0.7%	0.4%
Upper Midscale	0.0%	0.4%	0.5%	0.0%	0.4%	0.4%
Midscale	-0.1%	0.2%	0.1%	0.0%	0.2%	0.2%
Economy	1.5%	0.4%	1.9%	0.0%	0.9%	0.8%
Independent	0.3%	1.5%	1.8%	0.0%	1.1%	1.1%
Source: PwC Hospitality Directions US Lodging Outlook (August 2019) / based on STR data Compiled by LW Hospitality Advisors®						

**Percentage Change From Prior Year*

In 2020, ADR growth is expected to continue to control top line improvement, as increases in room rates are expected to drive all growth in RevPAR.

New Supply

Smith Travel Research reported at the 2019 Lodging Conference that approximately 207,000 rooms were under construction nationally as of August 2019, representing a 10.1% percent increase over levels reported in August 2018. Under construction totals were noted to be only 4,000 rooms off of the 2007/2008 peak.

Total U.S. Active Development Pipeline			
Phase	***2019***	***2018***	***% Change***
In Construction	207	188	10.4%
Final Planning	238	215	10.6%
Planning	216	203	5.9%
Under Contract	661	606	9.0%
Source: Smith Travel Research			
Compiled by LW Hospitality Advisors®			

**Total U.S. Pipeline, by Phase, '000s Rooms, August 2019 and 2018*

The following chart ranks top US markets by rooms under construction as a percentage of existing room supply.

Largest % of Rooms In Construction		
Market	***Rooms In Construction***	***% of Existing***
Nashville, TN	5,572	12%
New York, NY	14,437	11%
Minneapolis/St Paul, MN-WI	3,482	8%
Tampa/St Petersburg, FL	3,137	7%
Boston, MA	3,826	6%
Dallas, TX	5,913	6%
Los Angeles/Long Beach, CA	6,130	6%
Philadelphia, PA-NJ	2,866	6%
Phoenix, AZ	3,964	6%
Orlando, FL	7,099	6%
Source: Smith Travel Research		
Compiled by LW Hospitality Advisors®		

**Rooms In Construction and as % of Existing Supply, Largest % In Top 26 Markets, Aug 2019*

Conclusion

America's hotel sector has been operating at peak levels for the past three years as an expanding economy has readily absorbed accelerated supply growth in most markets. U.S. lodging supply and demand growth are expected to moderate, resulting in a very slight decline in occupancy. Therefore, while the economy continues to support revenue growth, the ability to achieve greater profits will be challenged. Hotel operators will need to keep expense growth under control as increases in room rates are the only hope to drive RevPAR growth in the near-term future. Current political/economic uncertainty and speculation of a recession will remain as a top concern for many market participants however current forecasts project that recent trends of relative stability will continue over the near-term future.

New York City Lodging Market Analysis

New York City Lodging Performance

New York City has enjoyed strong demand from the corporate, group, and leisure sectors, and has the highest average daily rate, occupancy and RevPAR levels within the United States. New York City has experienced record-breaking visitation in each of the previous seven years, with 65.1 million visitors in 2018 alone, which was a 3.7% increase over 2017 visitation. New York City is expected to maintain its competitive advantages over other cities in the U.S., which in fact is still number one in the U.S. in terms of RevPAR and demand. New York City is home to one of the largest tourism and hotel industries in the world and the third-largest hotel market in the United States, behind Las Vegas and Orlando. The City as a whole has almost 119,000 hotel rooms, and Manhattan alone had over 92,000 existing hotel rooms as of the end of 2018, which is planned to continue to grow rapidly given the numerous properties under development and in planning. Per information published by NYC & Company, hotel inventory across the City is anticipated to reach 137,000 rooms by 2021. Hotels continue to be developed in New York City as demand from domestic and international markets continue to grow, with record tourism visitation statistics in each of the past seven years. This growth is led by visitors from United Kingdom, China, and Canada, each of which broke 1 million visitors in 2018. Brazil is the fourth-largest international source of visitors to New York City, followed by France, Australia, and Germany.

The New York City hotel market has strengthened as demand grew and regional and local economies continued to recover, despite increases in new supply. The following table presents trends in occupancy and average daily rate for the Manhattan lodging market from 2006 through October 2019. As the US Dollar weakened relative to foreign currencies, the City experienced a slight decline in international visitation in the first quarter of 2019. Occupancy decline has continued through the second quarter due to the absorption of increased new supply throughout Manhattan.

Manhattan Hotel Trends

Year	Occupancy	Pts Change	ADR	% Change	RevPAR	% Change
2005	86.1%		$242.89		$209.20	
2006	85.6%	-0.5%	$270.44	11.3%	$231.39	10.6%
2007	86.8%	1.2%	$302.64	11.9%	$262.65	13.5%
2008	85.7%	-1.1%	$308.61	2.0%	$264.41	0.7%
2009	82.0%	-3.7%	$238.93	-22.6%	$195.83	-25.9%
2010	85.5%	3.5%	$261.03	9.2%	$223.09	13.9%
2011	85.4%	-0.1%	$278.51	6.7%	$237.98	6.7%
2012	87.8%	2.4%	$285.30	2.4%	$250.47	5.2%
2013	88.5%	0.7%	$290.92	2.0%	$257.38	2.8%
2014	89.4%	0.9%	$300.61	3.3%	$268.67	4.4%
2015	87.5%	-1.9%	$294.10	-2.2%	$257.38	-4.2%
2016	86.9%	-0.6%	$281.44	-4.3%	$244.51	-5.0%
2017	87.7%	0.8%	$287.59	2.2%	$252.31	3.2%
2018	88.5%	0.8%	$296.23	3.0%	$262.13	3.9%
YTD October 2018	87.9%		$286.50		$251.70	
YTD October 2019	87.0%	-1.0%	$279.54	-2.4%	$243.09	-3.4%

Source: CBRE Hotels; Compiled by LW Hospitality Advisors®

The following table presents occupancy, average daily rate, and RevPAR as of Q3 2019:

	Occupancy				ADR				RevPAR				September YTD		
	Jul	Aug	Sep	Q3	Jul	Aug	Sep	Q3	Jul	Aug	Sep	Q3	Occ	ADR	RevPAR
2018 Market Average	90.2%	90.8%	90.2%	90.4%	$254.18	$245.68	$337.76	$278.50	$229.32	$223.07	$304.74	$251.81	87.4%	$264.55	$231.25
2019 Market Average	89.5%	90.3%	90.2%	90.0%	$243.96	$239.94	$330.95	$271.14	$218.32	$216.66	$298.45	$243.99	86.0%	$258.43	$222.29
	% Change from 2018				% Change from 2018				% Change from 2018				% Change from 2018		
Market Average	-0.8%	-0.5%	0.0%	-0.5%	-4.0%	-2.3%	-2.0%	-2.6%	-4.8%	-2.9%	-2.1%	-3.1%	-1.6%	-2.3%	-3.9%

Source: PwC Manhattan Lodging Index Q3 2019

According to PwC Manhattan Lodging Index Q3 2019, the overall Manhattan Lodging Market experienced decline in RevPAR year-over-year. Occupancy in full service hotels trailed limited service hotels through the third quarter, however, average daily rate in full service hotels surpassed limited service hotels. Further, chain-affiliated hotels outperformed independent hotels throughout the second quarter.

The following table presents trends in occupancy, average daily rate, and RevPAR at the end of Q3 2019, broken down by neighborhood:

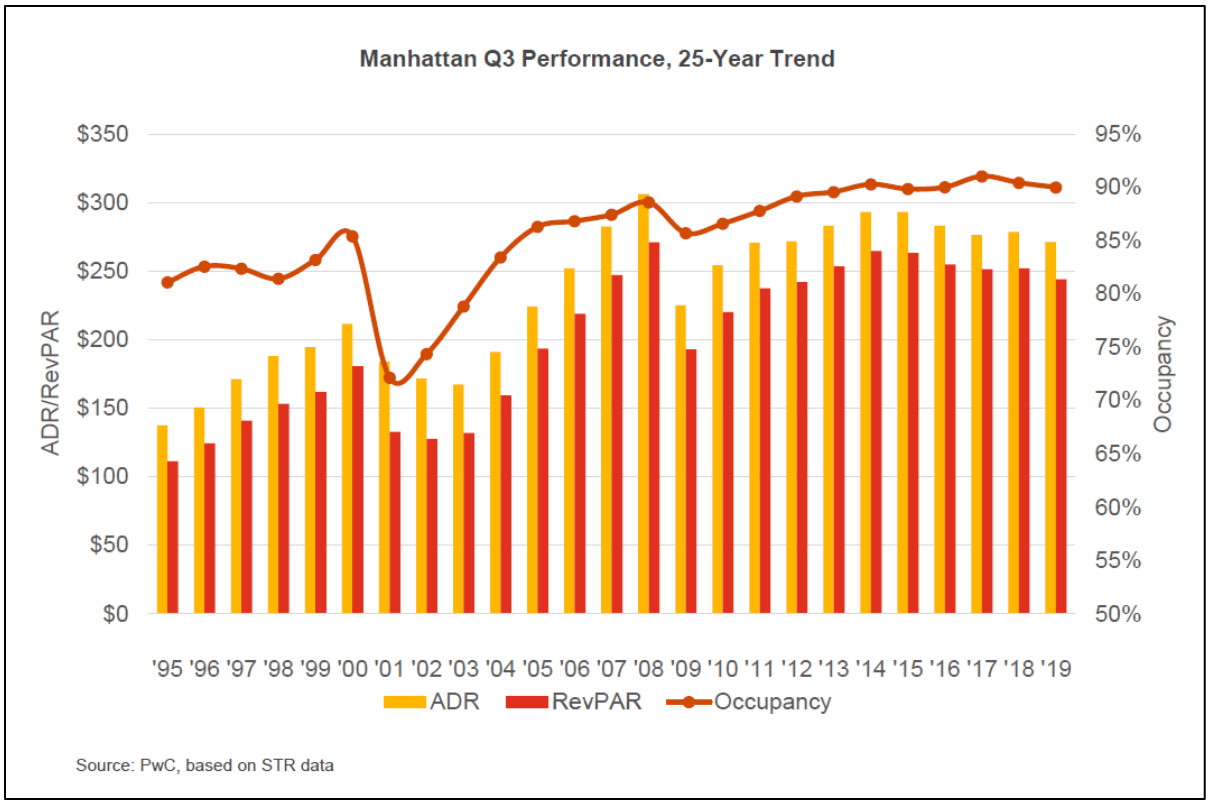
	Occupancy				ADR				RevPAR				September YTD		
	Jul	Aug	Sep	Q3	Jul	Aug	Sep	Q3	Jul	Aug	Sep	Q3	Occ	ADR	RevPAR
Upper Manhattan – 2018	84.3%	83.7%	83.2%	83.8%	$331.43	$316.61	$463.75	$369.31	$279.56	$264.94	$385.94	$309.32	81.5%	$352.66	$287.41
Upper Manhattan – 2019	84.2%	85.3%	83.8%	84.5%	$318.05	$312.60	$453.62	$360.07	$267.92	$266.61	$380.16	$304.08	80.7%	$347.78	$280.73
Midtown West – 2018	92.7%	93.0%	91.9%	92.5%	$247.67	$238.57	$318.74	$267.61	$229.51	$221.84	$292.99	$247.63	89.5%	$255.09	$228.26
Midtown West – 2019	91.6%	92.8%	91.9%	92.1%	$238.26	$233.56	$311.66	$260.55	$218.18	$216.86	$286.45	$240.00	87.7%	$248.73	$218.16
Midtown East – 2018	89.9%	90.4%	89.4%	89.9%	$264.43	$254.80	$395.58	$303.71	$237.70	$230.32	$353.81	$273.07	86.1%	$284.62	$244.95
Midtown East – 2019	88.5%	88.9%	89.8%	89.1%	$250.18	$249.39	$388.39	$295.36	$221.42	$221.66	$348.77	$263.03	84.7%	$277.42	$235.06
Midtown South – 2018	88.5%	90.3%	89.5%	89.4%	$224.00	$219.17	$289.66	$243.79	$198.31	$197.87	$259.33	$218.06	87.2%	$230.92	$201.32
Midtown South – 2019	88.0%	89.7%	90.1%	89.3%	$217.73	$218.02	$293.37	$242.91	$191.61	$195.50	$264.31	$216.81	86.2%	$229.51	$197.93
Lower Manhattan – 2018	87.9%	88.9%	90.0%	88.9%	$266.75	$260.26	$348.26	$291.47	$234.44	$231.33	$313.42	$259.15	85.8%	$278.39	$238.86
Lower Manhattan – 2019	88.2%	89.3%	88.9%	88.8%	$253.13	$247.44	$338.36	$279.36	$223.38	$220.90	$300.64	$248.04	85.1%	$268.20	$228.31
	% Change from 2018				% Change from 2018				% Change from 2018				% Change from 2018		
Upper Manhattan	-0.2%	1.9%	0.7%	0.8%	-4.0%	-1.3%	-2.2%	-2.5%	-4.2%	0.6%	-1.5%	-1.7%	-1.0%	-1.4%	-2.3%
Midtown West	-1.2%	-0.2%	0.0%	-0.5%	-3.8%	-2.1%	-2.2%	-2.6%	-4.9%	-2.2%	-2.2%	-3.1%	-2.0%	-2.5%	-4.4%
Midtown East	-1.5%	-1.7%	0.4%	-1.0%	-5.4%	-2.1%	-1.8%	-2.7%	-6.8%	-3.8%	-1.4%	-3.7%	-1.5%	-2.5%	-4.0%
Midtown South	-0.6%	-0.6%	0.6%	-0.2%	-2.8%	-0.5%	1.3%	-0.4%	-3.4%	-1.2%	1.9%	-0.6%	-1.1%	-0.6%	-1.7%
Lower Manhattan	0.4%	0.5%	-1.2%	-0.1%	-5.1%	-4.9%	-2.8%	-4.2%	-4.7%	-4.5%	-4.1%	-4.3%	-0.8%	-3.7%	-4.4%

Neighborhood Index				
Upper Manhattan 59th Street and North	Midtown West 5th Avenue and West from 34th Street to 58th Street	Midtown East 5th Avenue and East from 34th Street to 58th Street	Midtown South 14th Street to 34th Street	Lower Manhattan 14th Street and South

Source: PwC Manhattan Lodging Index Q3 2019

New York City's overall performance remains at profitable levels. It is anticipated that New York City's lodging market and demand will remain strong and recover through 2019, despite the abundance of new supply that has been opening throughout New York City and has largely impacted RevPAR levels adversely. RevPAR declines are also attributable to decreased international travel year-to-date, namely with respect to visitors from China.

The below chart depicts that Manhattan operating metrics are currently on a rising trend quarter-over-quarter.



Given the strength of the New York City lodging market, new supply is expected to be readily absorbed from an occupancy standpoint. It is important to consider that the stable occupancy level is remarkable given the influx of new hotel supply that has opened throughout New York City. However, average daily rate levels continue to be challenged throughout Manhattan.

The below charts display performance through September 2019, which indicate a 1.0 percent decrease in occupancy and a 2.0 percent decrease in ADR, yielding a RevPAR decrease of 3.0 percent compared with 2018 year-to-date figures.

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

October - 2019

	AVG. DAILY ROOM RATE			OCC. PERCENT			RevPAR		
	2019	2018	VAR	2019	2018	VAR	2019	2018	VAR
1 Over $500.00	$734.94	$734.74	0.0%	80.4%	86.4%	-7.0%	$590.77	$634.98	-7.0%
2 $300.00 TO 500.00	$342.25	$362.07	-5.5%	92.3%	93.1%	-0.9%	$315.81	$337.03	-6.3%
3 $245.00 TO $300.00	$272.29	$287.08	-5.2%	93.9%	95.2%	-1.4%	$255.60	$273.27	-6.5%
4 Under $245.00	$213.49	$228.29	-6.5%	92.7%	90.9%	1.9%	$197.80	$207.59	-4.7%
OVERALL AVERAGE	**$336.15**	**$355.14**	**-5.3%**	**91.7%**	**92.8%**	**-1.1%**	**$308.30**	**$329.41**	**-6.4%**

Survey includes 123 hotels with 42,848 available rooms as follows:
1) 3,628 2) 22,861 3) 10,569 4) 5,789

Year To Date as of October - 2019

	AVG. DAILY ROOM RATE			OCC. PERCENT			RevPAR		
	2019	2018	VAR	2019	2018	VAR	2019	2018	VAR
1 Over $500.00	$774.66	$784.01	-1.2%	72.9%	73.7%	-1.0%	$564.97	$577.58	-2.2%
2 $300.00 TO 500.00	$350.30	$356.64	-1.8%	88.6%	89.9%	-1.5%	$310.32	$320.62	-3.2%
3 $245.00 TO $300.00	$270.77	$278.59	-2.8%	89.9%	91.2%	-1.4%	$243.54	$254.19	-4.2%
4 Under $245.00	$194.47	$200.22	-2.9%	85.8%	86.2%	-0.5%	$166.90	$172.68	-3.4%
OVERALL AVERAGE	**$279.54**	**$286.50**	**-2.4%**	**87.0%**	**87.9%**	**-1.0%**	**$243.09**	**$251.70**	**-3.4%**

Survey includes 121 hotels with 42,346 available rooms as follows:
1) 2,181 2) 10,199 3) 11,685 4) 18,281

Source: CBRE Hotels October 2019

Below is the same data sorted by location rather than rate segment:

REPORT OF ROOMS BUSINESS BY LOCATION

October - 2019

	AVG. DAILY ROOM RATE			OCC. PERCENT			RevPAR		
	2019	2018	VAR	2019	2018	VAR	2019	2018	VAR
1 Above 59th - Uptown	$453.19	$468.83	-3.3%	87.2%	88.5%	-1.5%	$395.08	$415.12	-4.8%
2 42nd to 59th-Midtown East	$381.52	$401.01	-4.9%	89.4%	92.5%	-3.4%	$341.00	$370.91	-8.1%
3 42nd to 59th - Midtown West	$355.22	$375.03	-5.3%	91.5%	93.4%	-2.0%	$325.11	$350.39	-7.2%
4 Between 42nd and Houston	$280.48	$293.57	-4.5%	94.3%	94.2%	0.1%	$264.51	$276.65	-4.4%
5 South of Houston Street	$304.32	$328.35	-7.3%	92.0%	89.2%	3.1%	$280.04	$292.99	-4.4%
OVERALL AVERAGE	**$336.15**	**$355.14**	**-5.3%**	**91.7%**	**92.8%**	**-1.1%**	**$308.30**	**$329.41**	**-6.4%**

Survey includes 123 hotels with 42,848 available rooms as follows: 1) 1,204 2) 10,544 3) 13,636 4) 5,534

Year To Date as of October - 2019

	AVG. DAILY ROOM RATE			OCC. PERCENT			RevPAR		
	2019	2018	VAR	2019	2018	VAR	2019	2018	VAR
1 Above 59th - Uptown	$375.73	$375.75	0.0%	83.8%	84.8%	-1.1%	$315.01	$318.65	-1.1%
2 42nd to 59th-Midtown East	$320.95	$332.20	-3.4%	85.4%	86.4%	-1.2%	$273.98	$286.89	-4.5%
3 42nd to 59th - Midtown West	$293.15	$300.13	-2.3%	86.6%	88.1%	-1.8%	$253.77	$264.56	-4.1%
4 Between 42nd and Houston	$231.39	$235.26	-1.6%	89.3%	89.4%	-0.1%	$206.59	$210.31	-1.8%
5 South of Houston Street	$256.67	$262.22	-2.1%	86.4%	87.2%	-0.8%	$221.86	$228.54	-2.9%
OVERALL AVERAGE	**$279.54**	**$286.50**	**-2.4%**	**87.0%**	**87.9%**	**-1.0%**	**$243.09**	**$251.70**	**-3.4%**

Survey includes 121 hotels with 42,346 available rooms as follows: 1) 1,204 2) 10,362 3) 13,559 4) 5,042

Source: CBRE Hotels October 2019

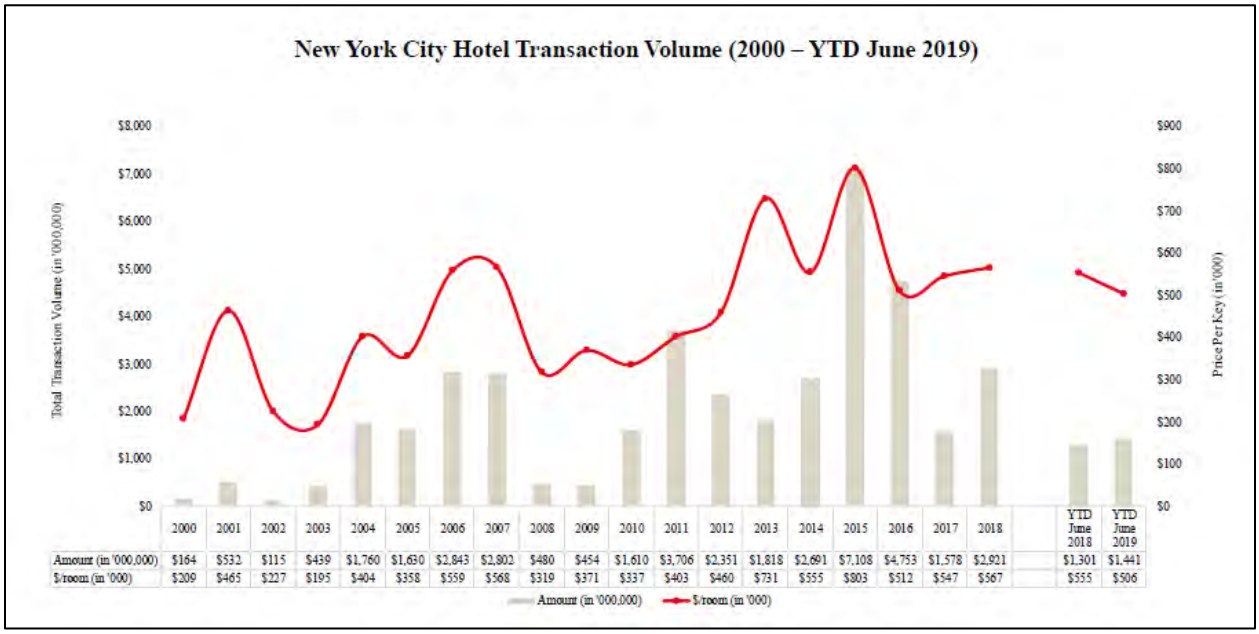
New York City Hotel Sales Activity

Manhattan hotel investment sales activity rebounded significantly, following the economic downturn in 2008. In 2012, the hotel transaction volume in Manhattan reached $2.7 billion, 22 hotels traded, although transaction volume in 2013 declined by 25 percent, largely attributed to less available product on the market. Transaction volume in Manhattan reached $2.8 billion in 2014 at an average price per key of over $600,000, compared to the market's 2011 peak of $3.1 billion (Jones Lang LaSalle). In 2014, off-shore investors comprised approximately 55 percent of total transaction volume, compared to 9 percent in 2011.

Off-shore investment continued to grow in 2015, with the volume of NYC hotel transactions totaling $6.6 billion, well surpassing the 2011 peak volume of $3.1 billion. Offshore capital accounted for over 70 percent of the 2015 transaction volume, an increase of approximately 40 percent over 2014. Notably, the most prominent transactions involved groups from Asia including Chinese investors' purchase of the Waldorf Astoria and the Baccarat, and South Korean investors' acquisition of The New York Palace. In addition to record transaction volume, 2015 also witnessed the highest price per room for a hotel asset in New York, namely the sale transaction of the 114-room Baccarat Hotel, which sold for over $2 million per room.

Remaining as the most liquid market in the United States and the most highly sought-after investment market for offshore investors, New York recorded approximately $3.0 billion in total transaction volume in 2018. This reflects an 85 percent increase over 2017, representing strength which has continued through the first half of 2019, with $1.4 billion in total transaction volume. Given the current capital restrictions in Mainland China to investing in North America, New York City transactions have been highly concentrated to domestic buyers.

The chart below illustrates the volume of transactions that have occurred from 2000 through H1 2019:



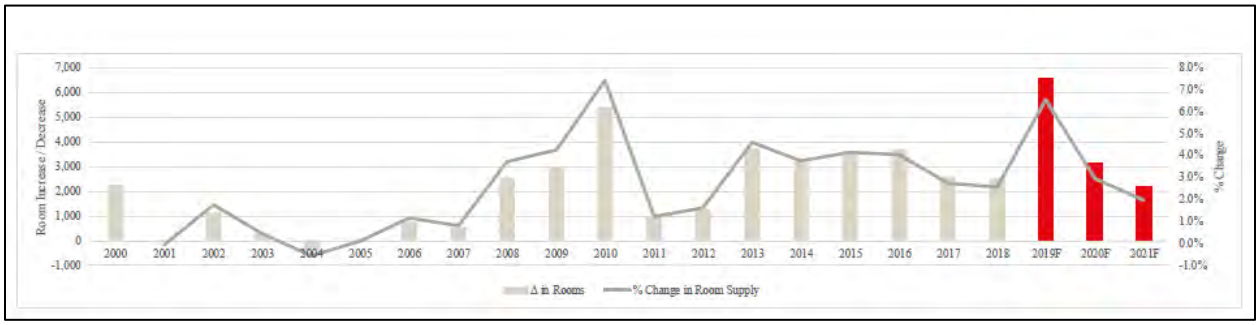
Source: Jones Lang LaSalle Hotel Investment Trends & Outlook June 2019

New York City experienced significant growth in 2018 transactions versus 2017. With 2015 remaining as the watermark year for transaction volume, the strength of the NYC investment market is anticipated to remain strong. Further, the broader macro market has rebounded considerably and will have a positive effect on pricing and transaction volume with increased sales activity in the second half of 2019.

New York City New Hotel Supply

Hotel development in Manhattan is taking place at a rapid rate. There have been many proposed new hotel developments, including ground-up construction, repurposed landmarks and iconic facilities and the renovation of a number of properties throughout New York City.

The chart below indicates historical hotel supply trends and forecasts from 2000 through 2021. Note that the Midtown South submarket accounts for most of the planned new supply in Manhattan.



Source: Jones Lang LaSalle Hotel Investment Trends & Outlook June 2019

It is important to mention the impact of Airbnb on the local hotel market. However, it is difficult to assess this impact to any degree of certainty, given there is virtually no reliable data available. The various options available on Airbnb range from a bed in a shared/occupied living space to entire homes. Furthermore, the inventory changes on a daily basis depending upon owners' availability and needs. Compounding this issue is that in New York City in particular, there has been an influx of new hotel supply over the past several years. As such, it is difficult, if not impossible, to bifurcate the impact of rapid hotel supply growth from the impact of the rise of Airbnb. All of those factors considered, one can assume Airbnb has had an impact of sorts, particularly in peak demand times when hotel rates are high. However, we anticipate that Airbnb will gradually operate in line with traditional lodging accommodations, in terms of providing services and adhering to regulations, which likely will temper its competitive edge.

Conclusion

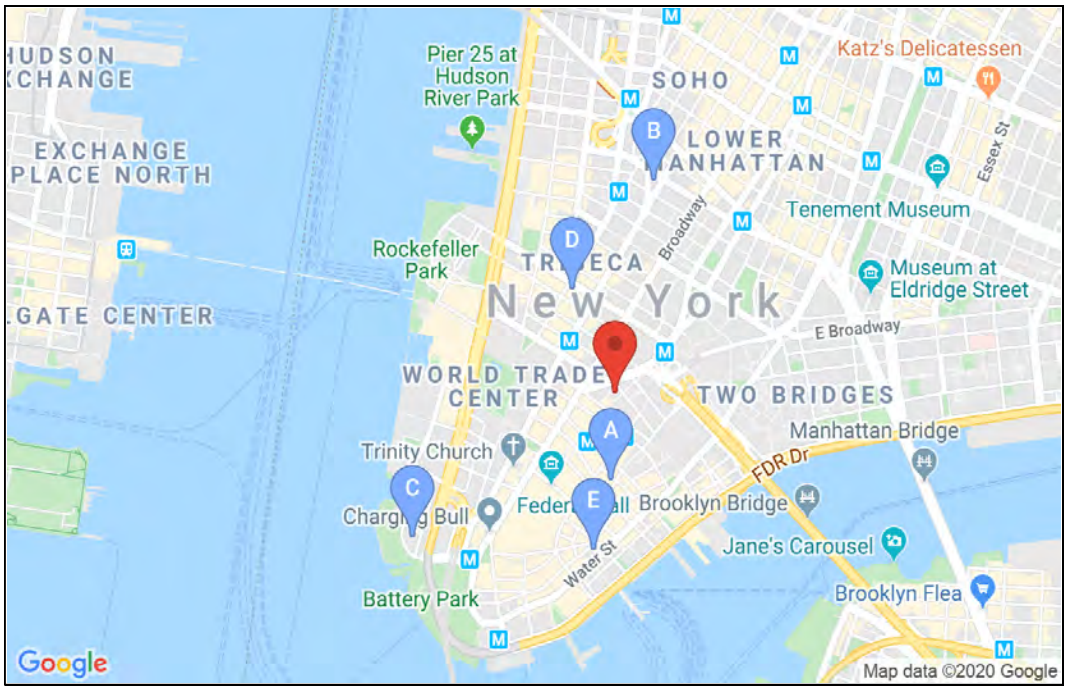
Occupancy and average daily rate trends in the New York City market suggest that there remains a fair amount of unsatisfied demand at all price levels. It is expected that occupancy rates will remain relatively strong while average daily rate growth will likely be challenged in certain submarkets in particular due to the abundance of new supply entering the market. It is also important to consider the abundance of new hotel supply that has already opened between 2014 - 2018 and is projected to open over the next several years. It is likely that occupancy levels will remain strong, proven by past performance that reflects increased demand corresponding to increased supply, largely given the plethora of displaced demand fueled by record-breaking tourism. The effects of new supply are likely to be less evident especially in submarkets with significant displaced demand.

Competitive Lodging Market Analysis

In consideration of the subject hotel's market orientation, condition, ADR positioning, and location, the subject property competes primarily with upper upscale hotel properties situated throughout Lower Manhattan, New York. We have analyzed the subject's competitive hotels and its competitive marketplace based on the location, branding, level of service, physical attributes, amenities and shared supply and demand factors in the marketplace. The majority of the hotels in the subject's immediate market are situated in Tribeca or the Financial District, given the corporate presence in this area and demand generators of the local market. The subject hotel competes directly with the upper-upscale/luxury products in the neighborhood, given the product type and similar demand base. The subject property represents a unique asset that offers a distinctive level of fit and finish, service and product quality, especially in regard to its public spaces and amenities.

We recognize that there are various other lodging facilities in the area, which may compete with the subject to a nominal degree. However, other hotels do not contain the same amenities as the subject or attract the same clientele that would choose the subject property or the majority of the competitive set of hotels. We do, however, recognize their overall impact on the room supply in the market.

The primary competitive set for the subject hotel consists of five hotels, which range in size from 100 to 298 rooms, and collectively contain an aggregate of 982 rooms. The following two tables present summary information on the competitive set. This information was assembled from market interviews, property inspections, and lodging directories. Market segmentation reflects the estimated share of room nights in each of the market segments: commercial, meeting & group, and leisure.



A) Thompson Hotels Gild Hall
B) The Roxy Hotel Tribeca
C) The Wagner at the Battery
D) AKA Tribeca
E) Andaz Wall Street

Comp Profile				Segmentation			Amenities						
Hotel	Location	Year Built	No. of Rooms	Commercial	Meeting & Group	Leisure	Total Meeting Space (Sq. Ft.)	Meeting Space per Room (Sq. Ft.)	Restaurant	Lounge	Indoor Pool	Outdoor Pool	Fitness Center
The Beekman, A Thompson Hotel (Subject)	**123 Nassau Street, New York, NY**	**2016**	**287**	**25%**	**20%**	**55%**	**4,700**	**16.4**	**X**	**X**			**X**
Thompson Hotels Gild Hall	15 Gold Street, New York, NY	1999	130	35%	20%	45%	800	6.2	X	X			X
The Roxy Hotel Tribeca	2 Avenue of the Americas, New York, NY	2000	201	50%	10%	40%	456	2.3	X	X			X
The Wagner at the Battery	2 West Street, New York, NY	2002	298	45%	25%	30%	18,000	60.4	X	X			X
AKA Tribeca	85 West Broadway, New York, NY	2009	100	55%	10%	35%	1,000	10.0	X	X			X
Andaz Wall Street	75 Wall Street, New York, NY	2010	253	60%	15%	25%	10,500	41.5	X	X			X
Totals & Averages			1,269	44%	18%	38%	35,456	27.9					

Property Information				Estimated 2018			Estimated 2019		
Hotel	No. of Rooms	Percent Competitive	Competitive Rooms	Occupancy	Average Rate	RevPAR	Occupancy	Average Rate	Rev PAR
The Beekman, A Thompson Hotel (Subject)	**287**	**100%**	**287**	**77.4%**	**$378.86**	**$293.13**	**79.3%**	**$367.16**	**$291.26**
Thompson Hotels Gild Hall	130	100%	130	85% - 90%	$230 - $235	$200 - $205	80% - 85%	$225 - $230	$190 - $195
The Roxy Hotel Tribeca	201	100%	201	85% - 90%	$340 - $345	$290 - $295	80% - 85%	$340 - $345	$275 - $280
The Wagner at the Battery	298	100%	298	60% - 65%	$355 - $360	$220 - $225	65% - 70%	$310 - $315	$210 - $215
AKA Tribeca	100	100%	100	60% - 65%	$340 - $345	$210 - $215	60% - 65%	$335 - $340	$210 - $215
Andaz Wall Street	253	100%	253	85% - 90%	$285 - $290	$240 - $245	80% - 85%	$280 - $285	$235 - $240
Totals and Averages	1,269		1,269	76.28%	$328.35	$250.47	77.21%	$314.91	$243.16

Property Information				Estimated 2018			Estimated 2019		
Hotel	No. of Rooms	Percent Competitive	Competitive Rooms	Occupancy Penetration	ADR Penetration	RevPAR Penetration	Occupancy Penetration	ADR Penetration	RevPAR Penetration
The Beekman, A Thompson Hotel (Subject)	**287**	**100%**	**287**	**101%**	**115%**	**117%**	**103%**	**117%**	**120%**
Thompson Hotels Gild Hall	130	100%	130	111% - 118%	70% - 71%	80% - 82%	104% - 110%	72% - 73%	78% - 80%
The Roxy Hotel Tribeca	201	100%	201	111% - 118%	104% - 105%	116% - 118%	104% - 110%	107% - 109%	113% - 115%
The Wagner at the Battery	298	100%	298	79% - 85%	109% - 110%	88% - 90%	84% - 91%	99% - 100%	86% - 88%
AKA Tribeca	100	100%	100	79% - 85%	103% - 104%	84% - 86%	78% - 84%	106% - 107%	86% - 88%
Andaz Wall Street	253	100%	253	111% - 118%	86% - 88%	96% - 98%	104% - 110%	88% - 90%	97% - 99%
Totals and Averages	1,269		1,269	100%	100%	100%	100%	100%	100%

Occupancy & Average Daily Rate Projections

Historical Supply and Demand Analysis

As illustrated by the STR Annual Report data below, the subject market has experienced increases in hotel guestroom supply due to the opening of the subject property. In mid-September 2016, the subject property commenced operations with 125 rooms (out of total 287 guestrooms) which contributed to the market supply increase of 4.3 percent in 2016, while the remaining 162 rooms entering inventory by September 2017 contributed to the market supply increase of 24.4 percent in 2017.

Despite the subject property entering the subject market, the subject market has witnessed strong occupancy levels of approximately 79 to 82 percent from 2013 through 2017 as demand has continued to keep up with supply. Although occupancy remained strong, the competitive market experienced a decline in average rate starting in 2015, which is reflectively of the overall Manhattan lodging market trend due largely to the influx of new supply that opened throughout New York City, as well as the strengthening of the U.S. dollar against foreign currencies (which in turn decreases international tourism). Although not included in the primary competitive set, the opening of the 189-room Four Seasons New York Downtown in September 2016 has affected the competitive hotels' ability to increase rate in recent years. In addition, the Wagner at the Battery hotel was converted from its prior use as the Ritz-Carlton Battery Park in February 2018, thereby causing a decrease in ADR at that hotel as well. These factors have contributed to the decreased average performance of the set in 2018.

Subsequently, the 2019 year-end data reflect a decline in average rate, resulting in an aggregate RevPAR decrease of 2.9 percent. It is worth noting that the recent performance is consistent with the overall performance observed throughout the city, and is believed by the strength of the U.S. Dollar and the correlating impact on several international feeder markets.

The following tables present historical trends in the performance of the primary competitors.

STR Annual Report Trend Table

Year	*Supply*	*% Change*	*Demand*	*% Change*	*Occupancy*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
2013	978	-	292,503	-	81.9%	-	$334.95	-	$274.46	-
2014	978	0.0%	292,414	0.0%	81.9%	0.0%	$341.24	1.9%	$279.53	1.8%
2015	978	0.0%	289,628	-1.0%	81.1%	-1.0%	$341.61	0.1%	$277.17	-0.8%
2016	1,020	4.3%	296,246	2.3%	79.6%	-1.9%	$340.60	-0.3%	$271.07	-2.2%
2017	1,269	24.4%	375,960	26.9%	81.2%	2.0%	$340.88	0.1%	$276.69	2.1%
2018	1,269	0.0%	353,208	-6.1%	76.3%	-6.1%	$328.36	-3.7%	$250.39	-9.5%
2019	1,269	0.0%	357,748	1.3%	77.2%	1.3%	$314.90	-4.1%	$243.22	-2.9%
CAGR		***4.4%***		***3.4%***		***-1.0%***		***-1.0%***		***-2.0%***

STR Monthly Report Table						
Month	*Occ*	*% Change*	*ADR*	*% Change*	*RevPAR*	*% Change*
Jan-19	59.3%	-8.4%	$229.50	-8.2%	$136.02	-16.0%
Feb-19	69.3%	-1.6%	$237.13	-10.1%	$164.35	-11.5%
Mar-19	76.2%	1.0%	$268.58	-10.5%	$204.65	-9.6%
Apr-19	80.2%	14.5%	$320.61	-3.6%	$257.11	10.3%
May-19	80.8%	4.1%	$354.18	-1.6%	$286.25	2.4%
Jun-19	80.8%	2.7%	$327.78	-6.5%	$264.68	-4.0%
Jul-19	76.0%	3.6%	$283.14	-4.2%	$215.15	-0.8%
Aug-19	78.2%	2.8%	$262.45	-3.9%	$205.25	-1.2%
Sep-19	80.6%	1.7%	$385.42	-0.3%	$310.79	1.4%
Oct-19	84.9%	-2.1%	$368.26	-7.6%	$312.69	-9.5%
Nov-19	79.6%	-0.1%	$339.46	-1.8%	$270.18	-1.9%
Dec-19	80.6%	-1.5%	$357.25	3.9%	$287.86	2.4%

Competitive New Supply

There is significant amount of new supply anticipated to enter the Lower Manhattan area in Manhattan over the next several years. We have considered the recently opened 189-room Four Seasons Hotel New York Downtown, which is a similar luxury product offering as the subject property, to be directly competitive with the subject property.

Opened in September 2016, the Four Seasons Hotel & Private Residences New York Downtown is located along the eastern side of Church Street between Barclay Street and Park Place. The 189-room hotel component is situated on the first 27 floors of the 82-story, 710,000 square-foot mixed-use building, while the 157 residential condominium units, ranging from one-bedroom to six bedrooms, are located on the upper floors. The hotel is accessible via Barclay Street while the condominium entrance is on Park Place. The Four Seasons Hotel is directly competitive with the subject property, given similarities in location, luxury product offering, target market and demand base.

Competitive New Supply				
Name	Address	Number of Rooms	Percent Competitive	Opening Date
Four Seasons New York Downtown	27 Barclay Street, New York, New York 10007	189	50%	Sep-16

Competitive New Supply Phase-In					
	2020	**2021**	**2022**	**2023**	**2024**
Four Seasons New York Downtown	95	95	95	95	95

The competitive new supply described above has been incorporated into our projections. Despite the plethora of new supply anticipated to enter the market, we do not expect that there will be a significant impact on the subject market's performance due to extraordinarily high demand in New York City, particularly Manhattan. Additionally, the area should continue to experience strong demand, and the new supply is expected to be readily absorbed.

Commercial Demand arises from individuals who are conducting business and visiting various firms in the subject's market area. Commercial/corporate demand is strongest Monday through Thursday nights, declining significantly on Friday and Saturday, and increasing somewhat on Sunday. Commercial/corporate travelers' typical length of stay ranges from one to three days, and this demand is relatively constant throughout the year, although some declines are noticeable in late December and during other holiday periods.

New York City is the business and financial capital of the United States, and serves as a world financial and business center and home to more "Fortune 500" firms than any other city in the nation. New York is also a major center of the entertainment industry, and serves as one of the world's fashion capitals. This high concentration of business activity creates substantial hotel room night demand. As a result, the commercial segment represents the largest segment of the New York City lodging market and accounts for a major portion of transient demand.

The subject market is expected to draw some corporate demand from the numerous headquarters and regional offices, as well as local commercial businesses in the Financial District, considering the subject's location at the southern tip of Manhattan.

Lower Manhattan is currently the fourth largest central business district in the United States, following Midtown Manhattan, Chicago Loop and Washington D.C. The subject neighborhood is densely improved with Class A commercial office buildings with notable tenants including: BNY Mellon, Deutsche Bank, Merrill Lynch & Co., JP Morgan Chase & Co., American Express Company, Citicorp Investment Services, AIG, Moody's Investor Services and Deloitte & Touche, LLP. Many corporations and organizations are also headquartered in this neighborhood, including Goldman Sachs, Verizon Communications, NY Stock Exchange Euronext, Ambac Financial Group, PR Newswire, EmblemHealth, Standard & Poor's, Neilsen Company and subsidiary Nielsen Media Research.

Additionally, the World Trade Center site's current and future tenants is anticipated to increase commercial demand to the subject neighborhood. In addition, City Hall and the surrounding area are commonly referred to as the Civic Center. Most of the Civic Center neighborhood consists of city, state and federal government offices, as well as the police headquarters and the courts.

Given the subject market conditions, we have projected an increase in commercial demand of 1.0 percent in 2020.

Meeting & Group Demand includes groups who reserve blocks of rooms for meetings, seminars, trade association shows, and other similar gatherings of ten or more persons. Group meetings and convention demand is typically strongest during the spring and fall months, while the summer months represent the slowest period for this market segment, and the winter demand varies. Meeting and group travelers typically achieve an average length of stay of three to five days. Historically, most corporate groups met on weekdays and social groups used the weekend periods. However, in the recent past the corporate group booking trends have changed to include some or all of the weekend. Many corporate groups, as a cost containment measure have been utilizing weekend meetings, which usually result in lower airfares and hotel room rates, especially in non-resort markets.

We have included a segment known as MICE (Meetings, Incentives, Conferencing and Exhibitions) as well as SMERF (Social, Military, Educational, Religious, and Fraternal). Room nights from the MICE group

consist of groups associated with corporate meetings, conferences and events, as well as incentive travel. Room nights from the SMERF group usually consist of groups such as youth athletic teams and church groups, among a variety of others. Consistent with most group bookings, the SMERF group usually garners a lower room night rate, but offsets rate loss with greater occupancy levels.

Hotels also capture meeting and group demand in the form of hotel guests who are attendees of conventions at other venues. The Jacob K. Javits Convention Center, located between 34th and 39th Streets and Eleventh and Twelfth Avenues on the west side of Manhattan, completed its $465 million renovation in 2013, inclusive of an 110,000-square-foot expansion and installation of 240,000-square-feet of glass curtain wall on the existing facility. Another major $1.5 billion renovation is planned for the Javits Center, as it is reported to still lose out on large events because of space constraints. The latest expansion is expected to add 1.2 million square feet, including 344,000 square feet of meeting and exhibition space on top of the 840,000 square feet already there. The Javits Convention Center currently hosts more than 150 events per year, drawing more than 3.5 million attendees annually.

Group and meeting demand in the immediate subject marketplace is driven primarily by local business meetings during the weekdays, as well as local social and fraternal gatherings during the weekends. Overall, group demand is limited in the subject market due to the relatively small square footage of meeting space at the competitive set of hotels compared to larger full-service hotels with tens of thousands of square feet of meeting space.

Given the subject market conditions, we have projected an increase in meeting and group demand of 1.0 percent in 2020.

Leisure Demand consists of individual tourists and families visiting the attractions of a local market and/or passing through en-route to other destinations. Leisure demand is strongest Friday and Saturday nights, holiday periods and the summer months. These peak periods generally are negatively correlated with commercial and meeting & group demand. The spring is also a prime period for weddings and other social activities.

Leisure demand levels tend to vary based on the overall economy, due to changes in levels of disposable income, coupled with the strength or weakness of the U.S. dollar, as a strong dollar promotes domestic travel whereas a weak dollar promotes international travel to the United States.

New York City is one of the nation's premier tourist destinations. According to NYC & Company, New York City has been breaking records of visitors for the past several years: 50 million in 2011, 52 million in 2012, 54.3 million in 2013, 56.5 million in 2014, 58.3 million in 2015, 60.7 million in 2016, 62.8 million in 2017, and 65.2 million tourists in 2018. The subject area is within proximate distance of many attractions that draw leisure tourists as well as the numerous shopping and dining options in the Financial District/Battery Park. Leisure demand is also drawn by family and friends of the numerous universities in the immediate area and visiting relatives, as well as the entertainment of New York City. The subject market typically achieves leisure travelers interested in the arts, culture, and design. Given the subject market conditions, we have projected leisure demand levels to remain stable going forward.

The subject area also derives a great deal of leisure demand due to its proximity to Memorial Plaza at the World Trade Center. This September 11 Memorial was completed in 2011, consisting of two massive reflecting pools within the footprints of the original Twin Towers. The names of the nearly 3,000

individuals who passed away in the September 11 attacks in New York City, Pennsylvania and Washington D.C., as well as the February 1993 World Trade Center bombing are inscribed around the edges of the memorial pools.

Given the subject market conditions, we have projected an increase in leisure demand of 1.0 percent in 2020.

Area Wide Demand Projections

The projection of area-wide occupancy is derived from the relationship between estimated future room night demand and future guestroom supply. Annual growth rates for each market segment are applied to the estimated current year-end area-wide room night demand for each market segment to arrive at a projection of area-wide annual lodging demand as set forth in the table on the following page. As mentioned previously, based on our analysis of the local market for transient accommodations for the current year, we projected varying growth rates in each of the market demand segments over the course of our projection.

Annual Demand Growth Rate			
	1	2	3
Segment	2020	2021	2022
Commercial	1.0%	0.0%	0.0%
Meeting & Group	1.0%	0.0%	0.0%
Leisure	1.0%	0.0%	0.0%

Latent Demand accounts for guests who could not be accommodated by the existing competitive supply for a variety of reasons. Because the local market demand estimate is based on hotel occupancies, it considers only those hotel rooms that were utilized by guests. Latent demand can be divided into displaced demand and induced demand.

Displaced Demand occurs when individuals are unable to rent a room because the marketplace's hotels are filled to capacity. As a result, individuals must defer their trips or make accommodations in other markets. Displaced demand is illustrated further in markets where there are distinct high and low seasons, or several periods of high and low occupancy throughout the year.

Clearly displaced demand exists in the subject market given that the heightened occupancy levels mid-week and many weekends. Historically, New York City has had higher occupancy levels than other metro areas and any new supply that is injected into the market is readily absorbed. With the exception of the winter months during the first quarter, which are typically the slowest months in Manhattan, the competitive market typically achieves above 75 percent occupancy during approximately ten months of the year. The high average occupancy of New York City results in inevitable displacement of customers willing and able to pay for a hotel room. Given the new hotels anticipated to enter the market within the next several years, we project a portion of the previously displaced demand to now be accommodated by the new supply within the subject market.

We estimate there is displaced demand in the market due to hotels being sold out frequently. Given the recent opening of the subject property and the Four Seasons Hotel New York Downtown, we project a portion of the previously displaced demand to now be accommodated by the subject market.

Induced Demand is additional demand created by the existence of a new demand generator or the addition to the competitive supply of new lodging properties. The demand generators typically feature specialized facilities designed to cater to a particular segment and attract demand that previously did not exist in the area or increase the attraction of that demand. LWHA® has projected the subject property and recently opened Four Seasons Hotel New York Downtown to induce demand into the marketplace, given new brands and product offerings, which has been phase-in based on their opening dates.

The following tables summarize our projection of area-wide room night demand, supply, and occupancy rates.

Projected Segmented Demand

Projected Segmented Demand												
Segment	Base Year	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Commercial												
Annual Growth		1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	430.9	435.2	435.2	435.2	435.2	435.2	435.2	435.2	435.2	435.2	435.2	435.2
Annual Room Nights	157,278	159,286	158,851	158,851	158,851	159,286	158,851	158,851	158,851	159,286	158,851	158,851
Displaced Demand		9,511	9,485	9,485	9,485	9,511	9,485	9,485	9,485	9,511	9,485	9,485
Induced Demand		3,044	3,035	3,035	3,035	3,044	3,035	3,035	3,035	3,044	3,035	3,035
New Supply		19,023	18,971	18,971	18,971	19,023	18,971	18,971	18,971	19,023	18,971	18,971
Total Segment Demand	157,278	171,841	171,372	171,372	171,372	171,841	171,372	171,372	171,372	171,841	171,372	171,372
Meeting & Group												
Annual Growth		1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	172.7	174.4	174.4	174.4	174.4	174.4	174.4	174.4	174.4	174.4	174.4	174.4
Annual Room Nights	63,034	63,839	63,664	63,664	63,664	63,839	63,664	63,664	63,664	63,839	63,664	63,664
Displaced Demand		2,594	2,587	2,587	2,587	2,594	2,587	2,587	2,587	2,594	2,587	2,587
Induced Demand		830	828	828	828	830	828	828	828	830	828	828
New Supply		5,188	5,174	5,174	5,174	5,188	5,174	5,174	5,174	5,188	5,174	5,174
Total Segment Demand	63,034	67,263	67,079	67,079	67,079	67,263	67,079	67,079	67,079	67,263	67,079	67,079
Leisure												
Annual Growth		1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	376.3	380.0	380.0	380.0	380.0	380.0	380.0	380.0	380.0	380.0	380.0	380.0
Annual Room Nights	137,336	139,089	138,709	138,709	138,709	139,089	138,709	138,709	138,709	139,089	138,709	138,709
Displaced Demand		5,188	5,174	5,174	5,174	5,188	5,174	5,174	5,174	5,188	5,174	5,174
Induced Demand		1,660	1,656	1,656	1,656	1,660	1,656	1,656	1,656	1,660	1,656	1,656
New Supply		10,376	10,348	10,348	10,348	10,376	10,348	10,348	10,348	10,376	10,348	10,348
Total Segment Demand	137,336	145,937	145,539	145,539	145,539	145,937	145,539	145,539	145,539	145,937	145,539	145,539

	Base Year	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Projected Segmented Demand Totals												
Commercial	157,278	171,841	171,372	171,372	171,372	171,841	171,372	171,372	171,372	171,841	171,372	171,372
Meeting & Group	63,034	67,263	67,079	67,079	67,079	67,263	67,079	67,079	67,079	67,263	67,079	67,079
Leisure	137,336	145,937	145,539	145,539	145,539	145,937	145,539	145,539	145,539	145,937	145,539	145,539
Total Market Demand	357,648	385,041	383,989	383,989	383,989	385,041	383,989	383,989	383,989	385,041	383,989	383,989
% Change		7.7%	-0.3%	0.0%	0.0%	0.3%	-0.3%	0.0%	0.0%	0.3%	-0.3%	0.0%
Market Statistics												
Existing Rooms Supply	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269
Proposed Rooms Supply	0	95	95	95	95	95	95	95	95	95	95	95
Total Available Room Nights	463,185	499,041	497,678	497,678	497,678	499,041	497,678	497,678	497,678	499,041	497,678	497,678
Market-Wide Occupancy	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%

Projected Occupancy and Average Daily Rate

A hotel's ability to generate room revenue is determined by two operating statistics: annual occupancy rate and average daily room rate. In most markets, a room night analysis may be performed to quantify and forecast room night demand. The occupancy of a given hotel may be projected based on its relative competitiveness with other hotels and its penetration through the market. Individual lodging facilities may operate above or below the area-wide occupancy or average rate, depending upon the particular attributes of the property.

Penetration Factor Analysis

The projected market share of the subject property is based on a penetration factor analysis. As previously stated, a penetration factor is the ratio between a property's market share and its fair share. Penetration factors were used to project the subject property's ability to capture room night demand. A hotel's fair share of lodging demand is equal to its number of rooms divided by the total competitive supply of rooms. If the subject property were to capture its fair share of the room night demand, it would penetrate the market by 100 percent. A penetration factor above or below 100 percent indicates a hotel's greater or lesser ability to compete in the marketplace.

The following tables illustrate the estimated 2019 penetration factors by market segment for the subject property and its competitors.

Commercial							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
The Beekman, A Thompson Hotel (Subject)	287	22.62%	79.33%	25.00%	20,776	13.21%	58.41%
Thompson Hotels Gild Hall	130	10.24%	80% - 85%	35.00%	13,286 - 14,116	8.4% - 9.0%	82% - 88%
The Roxy Hotel Tribeca	201	15.84%	80% - 85%	50.00%	29,346 - 31,180	18.7% - 19.8%	118% - 125%
The Wagner at the Battery	298	23.48%	65% - 70%	45.00%	31,815 - 34,263	20.2% - 21.8%	86% - 93%
AKA Tribeca	100	7.88%	60% - 65%	55.00%	12,045 - 13,049	7.7% - 8.3%	97% - 105%
Andaz Wall Street	253	19.94%	80% - 85%	60.00%	44,326 - 47,096	28.2% - 29.9%	141% - 150%
Total	1,269	100.00%	77.21%	43.98%	157,278	100.00%	

Meeting & Group							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
The Beekman, A Thompson Hotel (Subject)	287	22.62%	79.33%	20.00%	16,620	26.37%	116.59%
Thompson Hotels Gild Hall	130	10.24%	80% - 85%	20.00%	7,592 - 8,067	12.0% - 12.8%	118% - 125%
The Roxy Hotel Tribeca	201	15.84%	80% - 85%	10.00%	5,869 - 6,236	9.3% - 9.9%	59% - 62%
The Wagner at the Battery	298	23.48%	65% - 70%	25.00%	17,675 - 19,035	28.0% - 30.2%	119% - 129%
AKA Tribeca	100	7.88%	60% - 65%	10.00%	2,190 - 2,373	3.5% - 3.8%	44% - 48%
Andaz Wall Street	253	19.94%	80% - 85%	15.00%	11,081 - 11,774	17.6% - 18.7%	88% - 94%
Total	1,269	100.00%	77.21%	17.62%	63,034	100.00%	

Leisure							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
The Beekman, A Thompson Hotel (Subject)	287	22.62%	79.33%	55.00%	45,706	33.28%	147.15%
Thompson Hotels Gild Hall	130	10.24%	80% - 85%	45.00%	17,082 - 18,150	12.4% - 13.2%	121% - 129%
The Roxy Hotel Tribeca	201	15.84%	80% - 85%	40.00%	23,477 - 24,944	17.1% - 18.2%	108% - 115%
The Wagner at the Battery	298	23.48%	65% - 70%	30.00%	21,210 - 22,842	15.4% - 16.6%	66% - 71%
AKA Tribeca	100	7.88%	60% - 65%	35.00%	7,665 - 8,304	5.6% - 6.0%	71% - 77%
Andaz Wall Street	253	19.94%	80% - 85%	25.00%	18,469 - 19,623	13.4% - 14.3%	67% - 72%
Total	1,269	100.00%	77.21%	38.40%	137,336	100.00%	

Total							
Property	2019 Average Room Count	2019 Fair Share	2019 Estimated Occupancy	2019 Market Segmentation	2019 Estimated Rooms Occupied	2019 Market Share	2019 Penetration Factor
The Beekman, A Thompson Hotel (Subject)	287	22.62%	79.33%	100.00%	83,102	23.24%	102.74%
Thompson Hotels Gild Hall	130	10.24%	80% - 85%	100.00%	37,960 - 40,333	10.6% - 11.3%	104% - 110%
The Roxy Hotel Tribeca	201	15.84%	80% - 85%	100.00%	58,692 - 62,360	16.4% - 17.4%	104% - 110%
The Wagner at the Battery	298	23.48%	65% - 70%	100.00%	70,701 - 76,139	19.8% - 21.3%	84% - 91%
AKA Tribeca	100	7.88%	60% - 65%	100.00%	21,900 - 23,725	6.1% - 6.6%	78% - 84%
Andaz Wall Street	253	19.94%	80% - 85%	100.00%	73,876 - 78,493	20.7% - 21.9%	104% - 110%
Total	1,269	100.00%	77.21%	100.00%	357,648	100.00%	

The projected room night demand is multiplied by the subject property's fair share percentage and by the projected penetration factor to derive the number of room nights captured during each year. The number of room nights captured is then totaled and divided by the annual number of rooms available at the subject property to estimate the projected annual occupancy level.

A brief summary of the rationale used to project the penetration rates for the subject by market segment follows.

Commercial Penetration

The subject property has been fully open as of Fall 2017, and as of Fall 2018 is now affiliated with the Hyatt brand family given Hyatt's purchase of Two Roads (which owns Thompson). As such, we anticipated the subject will capture an increase in commercial demand from the numerous corporations located in the local neighborhood, especially from the creative corporate segment in the fashion, entertainment, publishing and advertising industries in the Lower Manhattan market. Additionally, the hotel is anticipated to benefit from the completion of the Class A office space at the World Trade Center. The subject is situated between Financial District to the south and SoHo to the north, suggesting the ability to capture the commercial market from both ends. However, we believe it is reasonable to expect the subject will penetrate below its fair market share given the high average daily rate relative to the competitors. Accordingly, the subject's commercial penetration is projected at 75 percent in the first projection year, and stabilizing at 80 percent throughout the remainder of the projection period. Commercial business is expected to account for approximately 25 percent of the subject property's business mix upon stabilization.

Meeting & Group Penetration

The subject property features approximately 4,700± square feet of meeting space, including the pre-function lobby space, three conference rooms and one boardroom. The hotel has sufficient meeting space to capture and accommodate social and fraternal meetings and events, as well as the corporate segment, especially in relation to the competitive market. The continued redevelopment of World Trade Center and the numerous corporations are anticipated to increase meeting and group demand in the subject neighborhood. Additionally, the subject's proximity to City Hall/Civic Center is a draw for local business meetings during the weekdays, including "war rooms" for lawyers working on court cases, as well as local social and fraternal gatherings during the weekends, particularly amongst fashion and entertainment industries. Furthermore, the subject is now affiliated within the Hyatt brand family. These factors considered, the subject is projected to achieve above its fair market share at 115 percent throughout the projection period. Meeting and group business is expected to account for approximately 20 percent of the subject property's business mix upon stabilization.

Leisure Penetration

The subject is a newly built hotel in Civic Center, within walking distance of many of the city's popular tourist attractions, such as Battery Park, World Trade Center, September 11 Memorial, Brooklyn Bridge, South Street Seaport and the Financial District. The hotel has good accessibility with numerous nearby subway trains, especially given the completion of the World Trade Center Transportation Hub. Please note that in October 2018, Hyatt Hotels Corporation purchased Two Roads Hospitality, which owns the Thompson platform. As such, the subject hotel is anticipated to benefit from the Hyatt reservation system and loyalty program going forward. Furthermore, the subject is a unique product and serves a local market that is relatively lacking in terms of high-end hotel offerings. Accordingly, the subject's leisure penetration is projected at 140 percent in the first projection year, and stabilizing at 135 percent throughout the remainder of the projection period. Leisure business is expected to account for approximately 55 percent of the subject property's business mix upon stabilization.

Overall Penetration

LWHA® projects the subject property to stabilize at 83 percent occupancy as of January 1, 2021. The stabilized occupancy level is intended to reflect the anticipated results as an average of the property over its remaining economic life given any and all changes in the life cycle of the hotel.

Total penetration level for the subject property is estimated to be 107 percent at stabilization. Due to the subject's location, product offering, and historical performance, we determine this to be a reasonable estimate.

The following table illustrates our estimated penetration rates over the projection period and resultant occupancy levels:

The Beekman, A Thompson Hotel												
	Historical	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Subject Property's Fair Share												
Market Supply Room	1,269	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364
Subject Property Room Count	287	287	287	287	287	287	287	287	287	287	287	287
Fair Share	22.6%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Room Nights Captured by Subject												
Commercial												
Fair Share	22.6%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Penetration Factor	58.4%	75.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Market Share	13.2%	15.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
Demand	157,278	171,841	171,372	171,372	171,372	171,841	171,372	171,372	171,372	171,841	171,372	171,372
Market Share	13.2%	15.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
Capture	20,776	27,128	28,857	28,857	28,857	28,936	28,857	28,857	28,857	28,936	28,857	28,857
Meeting & Group												
Fair Share	22.6%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Penetration Factor	116.6%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%
Market Share	26.4%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
Demand	63,034	67,263	67,079	67,079	67,079	67,263	67,079	67,079	67,079	67,263	67,079	67,079
Market Share	26.4%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
Capture	16,620	16,282	16,237	16,237	16,237	16,282	16,237	16,237	16,237	16,282	16,237	16,237
Leisure												
Fair Share	22.6%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Penetration Factor	147.2%	140.0%	135.0%	135.0%	135.0%	135.0%	135.0%	135.0%	135.0%	135.0%	135.0%	135.0%
Market Share	33.3%	29.5%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%
Demand	137,336	145,937	145,539	145,539	145,539	145,937	145,539	145,539	145,539	145,937	145,539	145,539
Market Share	33.3%	29.5%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%	28.4%
Capture	45,706	43,005	41,356	41,356	41,356	41,469	41,356	41,356	41,356	41,469	41,356	41,356
Total Capture	83,102	86,415	86,451	86,451	86,451	86,687	86,451	86,451	86,451	86,687	86,451	86,451

Subject Property Projected Occupancy											
Room Nights Captured	83,102	86,415	86,451	86,451	86,451	86,687	86,451	86,451	86,451	86,687	86,451
Available Room Nights	104,755	105,042	104,755	104,755	104,755	105,042	104,755	104,755	104,755	105,042	104,755
Occupancy	79.3%	82.3%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%
Fiscal Year Adjusted Room Nights Captured	83,102	86,415	86,451	86,451	86,451	86,687	86,451	86,451	86,451	86,687	86,451
Fiscal Year Occupancy		82.3%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%
Overall Market Share		22.4%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%
Overall Penetration		106.6%	107.0%	107.0%	107.0%	107.0%	107.0%	107.0%	107.0%	107.0%	107.0%

Average Daily Rate Projection

One of the most important considerations in developing an estimate of the value of a lodging facility is a supportable projection of its attainable average rate, which is more formally defined as the average rate per occupied room. Average rate can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. The average rate and the anticipated occupancy percentage are used to project rooms revenue, which in turn provides the basis for developing an opinion of most other income and expense categories. Although the average rate analysis presented here follows the occupancy projections, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding average rate. This relationship is best illustrated by RevPAR, which reflects a property's ability to maximize rooms revenue.

We examined the rate structure and achieved average room rates and RevPARs of the competitive hotels in the market, in concluding the subject property's average room rate. These are depicted in the following table.

Estimated Competitive ADR - 2019		
Property	*ADR*	*RevPAR*
The Beekman, A Thompson Hotel (Subject)	$367.16	$291.28
Thompson Hotels Gild Hall	$225 - $230	$190 - $195
The Roxy Hotel Tribeca	$340 - $345	$275 - $280
The Wagner at the Battery	$310 - $315	$210 - $215
AKA Tribeca	$335 - $340	$210 - $215
Andaz Wall Street	$280 - $285	$235 - $240
Market Average	*$314.90*	*$243.22*
Subject's Positioned ADR:		**$367.16**

In 2016, the subject property achieved average rate of $405.60 with an average room count of 125 with limited food and beverage options. In 2017, the subject property achieved average rate of $371.02 while completing the remaining guestrooms and hotel facilities by September 30, 2017. In 2018, as a fully operational hotel, the property increased average rate to approximately $378.86.

Similar to the rest of the competitive market as well as city-wide performance, the subject property was impacted by the strength of the U.S. Dollar and correlating impact on several international feeder markets. Despite this setback, given the quality of the subject property, its robust and attractive food and beverage program, its recent affiliation with Hyatt given Hyatt's acquisition of Two Roads in October 2018, and considering the performance of the competitive set, we believe there is capacity for growth.

As such, average daily rate is forecasted to increase by 6.0 percent in the first projection year, followed by less robust growth of 5.0 percent per annum in the second and third projection years. The ADR growth projections are reflective of a newly-opened hotel product continuing to ramp up and establish itself in the market. In addition, Hyatt's recent acquisition of Two Roads Hospitality (which owns Thompson) will allow for increased average rate over the next several years via the strong reservation system, loyalty program, and yield management tools.

Subsequently, the subject property is anticipated to increase ADR by the underlying rate of inflation of 3.0 percent. A discussion of our inflation forecast is included in the Income Capitalization Approach section of this report.

Subject's Projected ADR		
Year	ADR Growth	Projected ADR
Positioned ADR (2019)		$367.16
1/1/2020 - 12/31/2020	6.0%	$389.19
1/1/2021 - 12/31/2021	5.0%	$408.64
1/1/2022 - 12/31/2022	5.0%	$429.08
1/1/2023 - 12/31/2023	3.0%	$441.95
1/1/2024 - 12/31/2024	3.0%	$455.21
1/1/2025 - 12/31/2025	3.0%	$468.86
1/1/2026 - 12/31/2026	3.0%	$482.93
1/1/2027 - 12/31/2027	3.0%	$497.42
1/1/2028 - 12/31/2028	3.0%	$512.34
1/1/2029 - 12/31/2029	3.0%	$527.71
1/1/2030 - 12/31/2030	3.0%	$543.54
1/1/2031 - 12/31/2031	3.0%	$559.85
1/1/2032 - 12/31/2032	3.0%	$576.64
1/1/2033 - 12/31/2033	3.0%	$593.94

A hotel's ability to raise room rates is affected by several factors as indicated below.

- *Supply and Demand Relationships* – The relationship between supply and demand is one of the factors that determine hotel occupancies and average rates. Strong markets where lodging demand is increasing faster than supply are often characterized by rate growth that exceeds inflation. Markets that are overbuilt or suffering from declining demand are unlikely to exhibit any significant increases in average rates.

- *Inflationary Pressures* – Price increases caused by inflation affect hotel room rates by eroding profit margins and encouraging operators to raise prices. This strategy is effective only in markets that are characterized by a healthy supply and demand relationship.

- *Improving the Competitive Standard* – When a new lodging facility enters a mature market, its rates may be set higher than the market-wide average in an effort to justify the development costs. This may allow other competitors to achieve corresponding gains by effectively raising the amount the market will bear. However, if the addition to supply has a severe impact on the occupancy levels of other hotels, price competition may ensue.

- *Property-Specific Improvements* – Changes that make a hotel more or less attractive to guests can have an impact on average rate. An expansion, renovation, upgrading, or the introduction of additional facilities and amenities may enable greater-than-inflationary room rate increases. Likewise, deferred maintenance may make a property less competitive, engendering a decline in room rates.

The operating performance of the subject hotel is projected in terms of annual guestroom occupancy and average daily room rate. Based on the previously concluded occupancy and average room rate, the subject's room revenue is projected as illustrated below.

Occupancy, ADR, RevPAR and Rooms Revenue Conclusions			
Projection Year:	1	2	3
Fiscal Year Ending December 31:	2020	2021	2022
Number of Days in Year:	366	365	365
Number of Rooms:	287	287	287
Annual Available Rooms:	105,042	104,755	104,755
Occupied Rooms:	86,134	86,947	86,947
Annual Occupancy:	82.00%	83.00%	83.00%
Average Rate:	$389.19	$408.64	$429.08
RevPAR:	$319.14	$339.17	$356.14
Rooms Revenue	$33,522,663	$35,529,879	$37,307,069

Occupancy and Average Daily Rate Conclusion

Given the hotel's location, the complementary demand generators and amenities within the area, and the quality and size of the property, it has been assumed that the 107 percent occupancy penetration is reasonable for the subject hotel upon stabilization. Hence, we stabilized the subject hotel's occupancy at 83 percent as of January 1, 2021. We also believe the subject's $429.08 stabilized ADR and $356.14 RevPAR in year three to be reasonable and appropriate given the subject's location, brand, size, facilities, amenities and level of service.

Highest and Best Use Analysis

Highest and best use, as defined by the Dictionary of Real Estate Appraisal, 6th Edition, 2015, which is a publication of the Appraisal Institute, is defined as:

> *The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*

Legally Permissible

As noted earlier, the subject site is located within the C5-5, Commercial Zoning District and has several permitted commercial uses, which include office, retail, and hotel. We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

Physically Possible

The physical aspects of the parcel dictate the possible uses. The size, shape, accessibility and location of the land are all determinants of the value. The subject parcel has good accessibility and visibility in Lower Manhattan, New York and lends itself to most types of development. The configuration of the 20,043± square foot subject site would not constrict a potential developer from building on this site and is considered ample for either office or hotel use. The topography of the subject site is generally flat. Additionally, numerous other commercial developments exist within the market. All public utilities are available to the site. No physical impediments exist to restrict development.

Financially Feasible

The neighborhood immediately surrounding the subject includes a mixture of hotel, office, restaurant, retail uses. Economic demand for the use of the subject site is created by its location in Lower Manhattan, New York. The current fundamentals for the market are sound and the local market will continue to support commercial activity. Due to these factors, the subject site is well-suited for hotel, office, and/or retail development, all of would be judged to be viable uses of the site today. However, recognize that fully determining the financial feasibility of any of these uses require a thorough examination and analysis of the specific use and market within which it competes and is therefore outside the scope of this assignment.

Maximally Productive

All legally permissible, physically possible and financially feasible uses of the subject site have been considered in our analysis.

Highest and Best Use of Site as If Vacant

The subject site consists of an 20,043± square foot parcel situated in a favorable location at the southwest corner of Beekman Street and Nassau Street, one block east of the City Hall Park, in the Civic Center neighborhood of Lower Manhattan, New York. The size and configuration of the site is considered to be suitable for the existing hotel, as well as a variety of commercially-oriented uses.

The subject site is located within the C5-5, Commercial Zoning District. New York City is considered to be an extremely high barrier-to-entry market and new hotel supply is consistently absorbed. The overall health of the downtown hotel market is expected to remain healthy during the near term, despite recent market performance. The feasibility of new construction advances as the local and national economies continue to improve. There are several development projects currently in planning within the immediate neighborhood, which is anticipated to help expand the local community. Considering the highly favorable location of the subject property and its zoning designation, as well as the economic conditions of the surrounding development, it is our opinion that the highest and best use of the subject site, as vacant, is commercial and/or residential development.

Highest and Best Use as Improved

According to the Dictionary of Real Estate Appraisal, highest and best use of the property as improved is defined as:

> *The use that should be made of a property as it exists. An existing improvement should be renovated or retained "as is" so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.*

Considered as improved, the subject hotel is an established enterprise in the local hotel market and represents a good quality investment property. Conversion of the property to an alternative use would be prohibitively expensive, as the building would require major structural alterations. The existing subject improvements are not excessive in relation to the site's capacity and are assumed to meet local zoning requirements. The subject improvements are compatible with the surrounding development and have significant contributory value. Therefore, we conclude the existing development represents the highest and best use for the property as improved.

The most likely buyer for the subject hotel is an investment entity with expertise in the ownership of hotel properties, including, but not limited to, a publicly traded hotel entity, a private REIT, a strategic buyer, a pension fund, a local or regional hotel owner or operator, or an overseas investor.

Valuation Process

Three approaches are generally used to estimate market value: the income capitalization, sales comparison, and cost approaches. These approaches may indicate different results that must be reconciled in deriving the final estimate. In estimating the value of the subject property, we attempted to re-create the thought processes and analyses that potential buyers of such a property would use. The most likely buyers for this property would rely primarily upon a discounted cash flow analysis of the anticipated income stream from the property. The sales comparison approach was employed as a secondary and supportive technique.

Income Capitalization Approach

The Income Capitalization Approach reflects the subject's income-producing capabilities. The two common valuation techniques associated with the Income Capitalization Approach are direct capitalization and the discounted cash flow (DCF) analysis.

The Income Capitalization Approach, utilizing the discounted cash flow technique, measures the present value of projected income flows and the reversion of the property sale. Like the other approaches, the income approach requires extensive market research, which provides information about trends and market anticipation. After income and expenses are estimated, the income stream is capitalized by applying an appropriate rate or factor, and converted into present value through discounting. The quantity, variability, timing and duration of a set of periodic incomes and the quantity and timing of the reversion are specified and discounted to a present value at a specified yield rate. The rates used for capitalization or discounting are derived from acceptable rates of return for similar properties.

Our experience with hotel investors indicates that the methodology used in estimating market value by the Income Capitalization Approach is comparable to that employed by typical hotel and motel investors. For this reason, the Income Capitalization Approach produces the most supportable market value opinion, and it generally is given the greatest weight in the hotel valuation process.

Sales Comparison Approach

The Sales Comparison Approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property market. A value indication is produced by comparing the subject property with similar properties. This approach is accomplished by estimating the degree of similarity or difference between the subject property and the comparable sales by considering various elements of comparison. The sale prices of the properties that are judged to be most comparable tend to indicate a range in which the value for the subject property will fall.

The Sales Comparison Approach may provide a useful value opinion in the case of simple forms of real estate such as vacant land and single-family homes, where the properties are homogeneous and the adjustments are few and relatively simple to compute. In the case of complex investments such as lodging facilities, where the adjustments are numerous and more difficult to quantify, the Sales Comparison Approach loses a large degree of reliability.

Hotel investors typically do not employ the Sales Comparison Approach in reaching their final purchase decisions. Factors such as the lack of recent comparable sales data and the numerous adjustments that are necessary often make the results of the Sales Comparison Approach questionable. Although the Sales

Comparison Approach may provide a range of values that supports the final opinion of value, reliance on this approach beyond the establishment of broad parameters is rarely justified by the quality of the sales data.

As an appraiser, one attempts to mirror the actions of the marketplace. In that our experience indicates that sophisticated hotel investors depend largely on financial considerations when making final purchase decisions, we generally do not give the Sales Comparison Approach strong consideration in the hotel appraisal process beyond establishing a probable range of value.

Cost Approach

The Cost Approach is based on the understanding that market participants relate value to cost. The value of the property is derived by adding the estimated value of the land to the current cost of reproduction or replacement of the improvements and then subtracting the amount of depreciation in the structures from all causes. Profit for coordination by the entrepreneur is included in the value indication. This approach is particularly useful in valuing new or nearly new improvements and properties that are not frequently exchanged. We find that knowledgeable hotel buyers base their purchase decisions on economic factors, such as projected net income and return on investment. Because the cost approach does not reflect these income-related considerations and requires a number of highly subjective depreciation estimates, in addition to the existence of the current improvement, this approach was omitted from the valuation process of this specific property.

Reconciliation

Reconciliation and correlation of value indications is the final step in the valuation process. Given the particular appraisal problem and purpose, the appraiser assesses the reliability of each approach and the quality of the data considered. Most weight is given to the approach that produces the most reliable solution and most closely reflects the behavior of typical investors. Based upon our experience in the lodging investment market, we believe that the Income Capitalization Approach produces the most supportable value opinion, and it has been given the greatest weight in developing our value conclusion.

Income Capitalization Approach

The income capitalization approach is a method used to convert the anticipated economic benefits of property ownership into a value estimate through a capitalization process. The two most common methods of converting net income into value are the direct capitalization technique, where an overall rate is extracted directly from pertinent market sales, and the discounted cash flow technique, wherein anticipated future income streams and a reversionary value are discounted to a present value estimate.

In valuing the subject property, we believe that potential investors looking to acquire a property such as the subject would place greater emphasis on the second technique that takes into consideration expected streams of income and residual proceeds from a hypothetical sale at the end of the holding period.

Review of Financial Operating Statements

The historical financial operating statements, illustrated in the table on the following page, were provided by property ownership.

Where applicable, we have reorganized the statements in accordance with the Uniform System of Accounts for the Lodging Industry (Eleventh Revised Edition), published by the Educational Institute of the American Hotel and Lodging Association.

The Beekman, A Thompson Hotel
Full Operating History

	Actual				Actual				Actual				Actual				Budget/Forecast			
Year Ending December 31:	2016				2017				2018				2019				2020			
Number of Days in Year:	110				365				365				365				366			
Number of Rooms:	125				165				287				287				287			
Annual Available Rooms:	13,812				70,424				104,755				104,755				105,042			
Occupied Rooms:	9,555				51,642				81,051				83,102				80,882			
Annual Occupancy:	69.18%				73.33%				77.37%				79.33%				77.00%			
Average Rate:	405.60				371.02				378.86				367.16				400.98			
RevPAR:	281.85				272.08				293.13				291.28				308.58			
Revenue	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**	**$ (000's)**	**Gross %**	**PAR**	**POR**
Rooms	3,875	97.7%	31,004	405.60	19,159	90.4%	116,116	371.00	29,520	89.3%	102,857	364.22	30,488	87.5%	106,230	366.87	32,414	84.6%	112,941	400.76
Food & Beverage	46	1.2%	366	4.78	235	1.1%	1,424	4.55	371	1.1%	1,291	4.57	366	1.1%	1,275	4.40	482	1.3%	1,680	5.96
Other Operated Departments	46	1.2%	367	4.80	420	2.0%	2,547	8.14	918	2.8%	3,198	11.32	982	2.8%	3,421	11.81	809	2.1%	2,820	10.01
Miscellaneous Income	-	0.0%	-	0.00	1,373	6.5%	8,321	26.59	2,260	6.8%	7,875	27.88	2,809	8.1%	9,789	33.81	3,222	8.4%	11,227	39.84
Destination Fee	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	190	0.5%	663	2.29	1,399	3.7%	4,875	17.30
Total Revenue	**3,967**	**100.0%**	**31,736**	**415.18**	**21,187**	**100.0%**	**128,408**	**410.27**	**33,068**	**100.0%**	**115,221**	**408.00**	**34,835**	**100.0%**	**121,378**	**419.19**	**38,327**	**100.0%**	**133,543**	**473.86**
Departmental Expenses																				
Rooms - Combined	1,486	38.4%	11,891	155.55	6,115	31.9%	37,063	118.42	9,168	31.1%	31,945	113.12	10,118	33.2%	35,253	121.75	10,483	32.3%	36,527	129.61
Food & Beverage - Combined	34	74.2%	271	3.55	157	66.6%	949	3.03	284	76.6%	989	3.50	301	82.3%	1,049	3.62	356	73.9%	1,241	4.41
Other Operated Departments - Combined	28	61.9%	227	2.97	153	36.3%	926	2.96	247	26.9%	860	3.04	49	4.9%	169	0.58	-	0.0%	-	0.00
Total Departmental Expenses	**1,549**	**39.0%**	**12,389**	**162.08**	**6,425**	**30.3%**	**38,938**	**124.41**	**9,699**	**29.3%**	**33,794**	**119.66**	**10,467**	**30.0%**	**36,472**	**125.96**	**10,840**	**28.3%**	**37,769**	**134.02**
Departmental Income (Loss)	**2,418**	**61.0%**	**19,347**	**253.10**	**14,763**	**69.7%**	**89,470**	**285.87**	**23,370**	**70.7%**	**81,427**	**288.33**	**24,368**	**70.0%**	**84,906**	**293.23**	**27,487**	**71.7%**	**95,774**	**339.84**
Undistributed Operating Expenses																				
Administrative & General - Combined	1,014	25.6%	8,110	106.10	2,884	13.6%	17,480	55.85	4,130	12.5%	14,392	50.96	3,297	9.5%	11,487	39.67	3,481	9.1%	12,130	43.04
Information & Telecommunications Systems	113	2.8%	903	11.81	360	1.7%	2,180	6.97	423	1.3%	1,473	5.22	437	1.3%	1,521	5.25	830	2.2%	2,892	10.26
Marketing - Combined	765	19.3%	6,122	80.09	2,297	10.8%	13,922	44.48	2,895	8.8%	10,089	35.72	2,955	8.5%	10,296	35.56	3,635	9.5%	12,666	44.94
Utility Costs	73	1.8%	581	7.60	472	2.2%	2,864	9.15	672	2.0%	2,341	8.29	626	1.8%	2,181	7.53	681	1.8%	2,374	8.42
Property Operation & Maintenance - Combined	286	7.2%	2,291	29.97	993	4.7%	6,018	19.23	1,485	4.5%	5,175	18.32	1,558	4.5%	5,430	18.75	1,617	4.2%	5,635	20.00
Total Undistributed Operating Expenses	**2,251**	**56.7%**	**18,007**	**235.57**	**7,007**	**33.1%**	**42,465**	**135.68**	**9,606**	**29.0%**	**33,470**	**118.52**	**8,873**	**25.5%**	**30,915**	**106.77**	**10,245**	**26.7%**	**35,697**	**126.66**
Income After Undistributed Operating Expenses	**167**	**4.2%**	**1,340**	**17.53**	**7,756**	**36.6%**	**47,006**	**150.19**	**13,764**	**41.6%**	**47,957**	**169.82**	**15,495**	**44.5%**	**53,991**	**186.46**	**17,242**	**45.0%**	**60,077**	**213.18**
Fixed Charges																				
Management Fee	119	3.0%	952	12.45	636	3.0%	3,854	12.31	992	3.0%	3,457	12.24	1,045	3.0%	3,640	12.57	575	1.5%	2,003	7.11
Property Taxes	1,018	25.7%	8,141	106.50	3,145	14.8%	19,063	60.91	3,424	10.4%	11,931	42.25	579	1.7%	2,017	6.97	661	1.7%	2,303	8.17
Insurance	96	2.4%	770	10.07	210	1.0%	1,270	4.06	151	0.5%	525	1.86	140	0.4%	489	1.69	144	0.4%	503	1.79
Reserve for Replacement	-	0.0%	-	0.00	202	1.0%	1,225	3.91	992	3.0%	3,457	12.24	1,045	3.0%	3,641	12.57	1,150	3.0%	4,006	14.22
Total Fixed Charges	**1,233**	**31.1%**	**9,863**	**129.03**	**4,193**	**19.8%**	**25,412**	**81.19**	**5,559**	**16.8%**	**19,369**	**68.59**	**2,809**	**8.1%**	**9,788**	**33.80**	**2,530**	**6.6%**	**8,815**	**31.28**
Incentive Management Fee	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00
Hotel Cash Flow	**(1,065)**	**-26.9%**	**(8,523)**	**-111.50**	**3,563**	**16.8%**	**21,594**	**68.99**	**8,205**	**24.8%**	**28,588**	**101.23**	**12,686**	**36.4%**	**44,203**	**152.66**	**14,712**	**38.4%**	**51,262**	**181.90**
NOI Adjusted for 3% Management and 4% Reserves	**(1,224)**	**-30.9%**	**(9,792)**	**-128.11**	**2,918**	**13.8%**	**17,684**	**56.50**	**7,874**	**23.8%**	**27,436**	**97.15**	**12,337**	**35.4%**	**42,987**	**148.46**	**13,754**	**35.9%**	**47,924**	**170.05**

Comparable Analysis – Industry Averages & Comparable Hotels

In order to bolster our forecast for the subject property, we have analyzed the operating performance of the subject versus hotel industry averages and various comparable hotels.

Illustrated on the following page are aggregate averages for four selected property descriptive categories from the most recent HOST Report, published by STR.

Those comparative categories that were analyzed include:

Affiliation: Independent
Geographic Region: Middle Atlantic
Location: Urban
Price Category: Luxury

HOST Report

The Beekman, A Thompson Hotel
Host Comparison (Host Study 2019)

Category	Subject TTM Through Dec 2019			Host Weighted Average			Full Service Chain-Affiliated			Full Service Middle Atlantic			Full Service Urban			Full Service Luxury		
Occupancy (of Sample)	79.33%			75.80%			74.71%			78.76%			76.06%			73.52%		
Average Size Of Property (Rooms)	287			316			299			303			369			292		
Average Daily Rate	366.87			246.08			200.25			239.27			216.71			339.87		
	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR
REVENUE																		
Rooms	87.5%	106,230	366.87	65.8%	67,781	246.08	64.9%	54,449	200.25	71.8%	68,736	239.27	68.3%	59,904	216.71	56.5%	90,919	339.87
Food & Beverage	1.1%	1,275	4.40	27.4%	29,618	108.14	28.0%	23,510	86.47	23.1%	22,148	77.10	26.7%	23,430	84.76	32.6%	52,399	195.88
Other Operated Departments	2.8%	3,421	11.81	3.8%	4,523	16.68	3.9%	3,292	12.11	1.7%	1,668	5.80	2.4%	2,147	7.77	7.5%	12,095	45.21
Miscellaneous Income	8.1%	9,789	33.81	3.0%	3,267	11.90	3.1%	2,590	9.52	3.3%	3,149	10.96	2.5%	2,191	7.93	3.4%	5,514	20.61
Total Revenue	**99.5%**	**120,715**	**416.90**	**100.0%**	**105,188**	**382.79**	**100.0%**	**83,841**	**308.35**	**100.0%**	**95,701**	**333.14**	**100.0%**	**87,672**	**317.16**	**100.0%**	**160,927**	**601.56**
DEPARTMENTAL EXPENSES																		
Rooms	33.2%	35,253	121.75	28.7%	19,524	70.75	26.3%	14,304	52.61	32.8%	22,538	78.46	27.8%	16,673	60.32	27.9%	25,340	94.72
Food & Beverage	82.3%	1,049	3.62	77.9%	22,896	83.46	71.0%	16,701	61.42	89.5%	19,823	69.00	75.0%	17,581	63.60	75.8%	39,729	148.51
Other Operated Depts & Rentals	4.9%	169	0.58	77.8%	3,606	13.30	79.3%	2,609	9.60	82.1%	1,369	4.76	70.0%	1,503	5.44	81.8%	9,890	36.97
Total Departmental Expenses	30.2%	36,472	125.96	43.1%	46,026	167.51	40.1%	33,614	123.63	45.7%	43,730	152.22	40.8%	35,757	129.35	46.6%	74,960	280.21
Total Departmental Profit	**69.2%**	**84,243**	**290.94**	**56.9%**	**59,163**	**215.28**	**59.9%**	**50,227**	**184.72**	**54.3%**	**51,971**	**180.91**	**59.2%**	**51,915**	**187.81**	**53.4%**	**85,967**	**321.36**
UNDISTRIBUTED OPERATING EXPENSES																		
Administrative & General	9.5%	11,487	39.67	7.8%	8,264	30.06	7.6%	6,336	23.30	8.1%	7,742	26.95	7.9%	6,882	24.90	7.9%	12,664	47.34
Information & Telecommunications Systems	1.3%	1,521	5.25	1.5%	1,603	5.83	1.5%	1,256	4.62	1.5%	1,475	5.14	1.6%	1,365	4.94	1.5%	2,420	9.05
Marketing	8.5%	10,296	35.56	6.8%	7,040	25.61	6.9%	5,766	21.21	6.7%	6,425	22.37	7.0%	6,179	22.35	6.3%	10,182	38.06
Franchise Fees	0.0%	0	0.00	1.1%	1,051	3.80	1.6%	1,331	4.90	1.2%	1,104	3.84	1.2%	1,074	3.89	0.4%	671	2.51
Utility Costs	1.8%	2,181	7.53	2.8%	2,898	10.54	2.9%	2,456	9.03	2.8%	2,686	9.35	2.8%	2,476	8.96	2.6%	4,147	15.50
Property Operations & Maintenance	4.5%	5,430	18.75	4.2%	4,420	16.07	4.1%	3,442	12.66	4.5%	4,339	15.10	4.0%	3,530	12.77	4.2%	6,696	25.03
Total Undistributed Operating Expenses	25.5%	30,915	106.77	24.2%	25,277	91.92	24.6%	20,587	75.72	24.8%	23,771	82.75	24.5%	21,506	77.80	22.9%	36,780	137.49
Gross Operating Profit	**43.8%**	**53,328**	**184.17**	**32.6%**	**33,885**	**123.37**	**35.4%**	**29,640**	**109.01**	**29.5%**	**28,200**	**98.17**	**34.7%**	**30,410**	**110.01**	**30.6%**	**49,188**	**183.87**
Management Fees	3.0%	3,640	12.57	3.5%	3,648	13.26	3.5%	2,970	10.92	3.7%	3,510	12.22	3.5%	3,068	11.10	3.3%	5,269	19.69
Income Before Fixed Charges	**40.8%**	**49,688**	**171.60**	**29.1%**	**30,237**	**110.10**	**31.8%**	**26,669**	**98.08**	**25.8%**	**24,690**	**85.95**	**31.2%**	**27,341**	**98.91**	**27.3%**	**43,919**	**164.17**
Selected Fixed Charges																		
Property Taxes	1.7%	2,017	6.97	4.2%	4,306	15.57	3.4%	2,817	10.36	5.8%	5,577	19.41	4.2%	3,711	13.43	3.2%	5,221	19.52
Insurance	0.4%	489	1.69	0.9%	1,014	3.70	0.9%	770	2.83	0.9%	824	2.87	0.8%	706	2.56	1.2%	1,880	7.03
Reserve For Capital Replacement	3.0%	3,641	12.57	2.5%	2,653	9.67	2.5%	2,115	7.78	2.3%	2,201	7.66	2.4%	2,096	7.58	2.8%	4,446	16.62
Hotel Cash Flow	**35.7%**	**43,540**	**150.37**	**24.0%**	**24,918**	**90.84**	**27.5%**	**23,083**	**84.89**	**19.1%**	**18,289**	**63.66**	**26.1%**	**22,924**	**82.93**	**22.9%**	**36,817**	**137.63**

Expense Comparables

A table detailing the operating performance of five comparable hotels is presented below. The comparable statements were taken from our proprietary database.

The Beekman, A Thompson Hotel
Competitive Review

Category	Subject TTM Through Dec 2019			Comp Weighted Average			Comp Hotel 1 Inflated Values			Comp Hotel 2 Inflated Values			Comp Hotel 3 Inflated Values			Comp Hotel 4 Inflated Values			Comp Hotel 5 Inflated Values		
Occupancy (of Sample)	79.33%			89.58%			92.60%			86.46%			88.91%			88.59%			91.65%		
Average Size Of Property (Rooms)	287			211			285			240			193			222			113		
Average Daily Rate	366.87			315.17			309.17			329.33			297.79			304.09			351.93		
	Ratio to Sales	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**	**Ratio to Sales**	**PAR**	**POR**
REVENUE																					
Rooms	87.5%	106,230	366.87	89.9%	103,110	315.17	95.8%	104,499	309.17	96.8%	103,931	329.33	75.4%	96,641	297.79	89.9%	98,327	304.09	84.9%	117,729	351.93
Food & Beverage	1.1%	1,275	4.40	8.3%	10,434	31.91	1.6%	1,756	5.20	0.7%	728	2.31	23.9%	30,682	94.54	8.3%	9,100	28.14	15.1%	20,976	62.70
Other Operated Departments	2.8%	3,421	11.81	1.5%	1,642	4.99	2.6%	2,809	8.31	1.2%	1,317	4.17	0.7%	882	2.72	1.8%	1,946	6.02	0.0%	2	0.00
Total Revenue	**100.0%**	**121,378**	**419.19**	**100.0%**	**115,481**	**353.01**	**100.0%**	**109,063**	**322.68**	**100.0%**	**107,318**	**340.06**	**100.0%**	**128,205**	**395.05**	**100.0%**	**109,373**	**338.26**	**100.0%**	**138,706**	**414.64**
DEPARTMENTAL EXPENSES																					
Rooms	33.2%	35,253	121.75	35.2%	35,923	110.06	35.0%	36,531	108.08	36.2%	37,630	119.24	38.9%	37,599	115.86	41.1%	40,460	125.13	16.6%	19,564	58.48
Food & Beverage	82.3%	1,049	3.62	110.4%	9,962	30.47	107.6%	1,890	5.59	122.4%	892	2.83	78.5%	24,085	74.22	135.0%	12,287	38.00	99.6%	20,891	62.45
Other Operated Departments	4.9%	169	0.58	838.7%	460	1.43	7.9%	221	0.65	69.5%	915	2.90	87.0%	768	2.37	10.9%	212	0.66	7314.6%	114	0.34
Total Departmental Expenses	30.0%	36,472	125.96	40.2%	46,345	141.95	35.4%	38,642	114.33	36.7%	39,437	124.96	48.7%	62,452	192.44	48.4%	52,959	163.79	29.2%	40,570	121.28
Total Departmental Profit	**70.0%**	**84,906**	**293.23**	**59.8%**	**69,136**	**211.06**	**64.6%**	**70,421**	**208.35**	**63.3%**	**67,881**	**215.10**	**51.3%**	**65,753**	**202.61**	**51.6%**	**56,414**	**174.47**	**70.8%**	**98,136**	**293.36**
UNDISTRIBUTED OPERATING EXPENSES																					
Administrative & General	9.5%	11,487	39.67	9.3%	10,618	32.53	8.9%	9,658	28.57	10.7%	11,530	36.53	6.1%	7,764	23.92	12.0%	13,158	40.69	8.0%	11,142	33.31
Information & Telecommunications Systems	1.3%	1,521	5.25	1.3%	1,477	4.55	1.4%	1,538	4.55	2.5%	2,673	8.47	0.5%	649	2.00	1.5%	1,634	5.05	0.0%	0	0.00
Marketing	8.5%	10,296	35.56	7.2%	8,304	25.38	6.3%	6,845	20.25	7.6%	8,110	25.70	5.1%	6,530	20.12	7.8%	8,511	26.32	10.8%	14,958	44.72
Utility Costs	1.8%	2,181	7.53	2.3%	2,600	7.94	2.5%	2,683	7.94	2.2%	2,371	7.51	1.8%	2,305	7.10	2.5%	2,685	8.30	2.3%	3,176	9.49
Property Operations & Maintenance	4.5%	5,430	18.75	4.9%	5,516	16.87	5.4%	5,937	17.57	4.7%	5,019	15.90	3.4%	4,356	13.42	6.7%	7,321	22.64	2.8%	3,929	11.74
Total Undistributed Operating Expenses	25.5%	30,915	106.77	25.0%	28,515	87.26	24.4%	26,662	78.88	27.7%	29,703	94.12	16.9%	21,604	66.57	30.5%	33,309	103.01	23.9%	33,204	99.26
GROSS OPERATING PROFIT	**44.5%**	**53,991**	**186.46**	**34.9%**	**40,621**	**123.80**	**40.1%**	**43,760**	**129.47**	**35.6%**	**38,178**	**120.97**	**34.4%**	**44,149**	**136.04**	**21.1%**	**23,105**	**71.46**	**46.8%**	**64,932**	**194.10**
Management Fees	3.0%	3,640	12.57	2.7%	3,173	9.71	2.1%	2,265	6.70	3.0%	3,180	10.08	2.4%	3,031	9.34	3.0%	3,303	10.22	3.9%	5,458	16.32
INCOME BEFORE FIXED CHARGES	**41.5%**	**50,351**	**173.89**	**32.1%**	**37,448**	**114.09**	**38.0%**	**41,495**	**122.77**	**32.6%**	**34,998**	**110.90**	**32.1%**	**41,118**	**126.70**	**18.1%**	**19,802**	**61.24**	**42.9%**	**59,474**	**177.79**
Selected Fixed Charges																					
Property Taxes	1.7%	2,017	6.97	8.3%	9,452	28.98	9.0%	9,829	29.08	12.8%	13,732	43.51	6.1%	7,862	24.23	5.8%	6,352	19.64	6.1%	8,439	25.23
Insurance	0.4%	489	1.69	0.7%	839	2.53	1.4%	1,487	4.40	0.0%	44	0.14	0.5%	695	2.14	0.8%	873	2.70	0.7%	956	2.86
Reserve For Capital Replacement	3.0%	3,641	12.57	2.5%	2,862	8.63	4.2%	4,585	13.56	0.0%	0	0.00	0.0%	0	0.00	4.9%	5,383	16.65	3.0%	4,161	12.44
Hotel Cash Flow	**36.4%**	**44,203**	**152.66**	**20.5%**	**24,295**	**73.94**	**23.5%**	**25,594**	**75.72**	**19.8%**	**21,221**	**67.24**	**25.4%**	**32,561**	**100.33**	**6.6%**	**7,194**	**22.25**	**33.1%**	**45,918**	**137.26**
Adjusted for 3% Management and 4%	**35.4%**	**42,987**	**148.46**	**18.8%**	**22,246**	**67.58**	**22.7%**	**24,810**	**73.40**	**15.7%**	**16,889**	**53.52**	**20.8%**	**26,617**	**82.02**	**7.5%**	**8,225**	**25.44**	**33.0%**	**45,827**	**136.99**

Financial Analysis

A summary of the underlying rationale and assumptions used in developing the annual operating performance for the subject hotel is presented in the following text. Fundamental to the opinions of operating results is the assumption of competent and efficient management at the property level, a well-coordinated marketing plan for the hotel, and a well-devised yield management strategy. Among the primary responsibilities of management are the maintenance of a quality facility, the execution of an adequate marketing effort, and operating in a cost-efficient manner.

We have used a holding period of ten years, and we have capitalized the 11th year's net operating income to calculate the reversion proceeds from a sale in that year.

Our projections incorporate an opinion of general price inflation based upon economic projections from various sources (including the U.S. Congressional Budget Office), tempered by our observations and expectations derived from historical perspectives both locally and nationally. Accordingly, to portray price level changes, we assumed an average CPI inflation rate of 3.0 percent per year throughout the 10-year projection period. This assumption is intended only to portray an expected long-term trend in price movements, rather than for a specific interval of time.

Operating revenues and expenses for the subject are projected using a proprietary Microsoft Excel model developed for LW Hospitality Advisors®. This model was especially designed to reflect the operating characteristics of a hotel property. The Excel model is based upon the theory that hotel revenues and expenses have an independent fixed component and a dependent component that varies in proportion to occupancy and the overall use of the facility. An estimate of each revenue and expense line item can be made by calculating the fixed and variable percentage components of an established level of revenue or expense. The fixed component is held constant, while the variable component is adjusted for the future incremental changes in occupancy and utilization levels.

Based on our review of the subject's prospective operating performance, as well as our analysis of comparable hotel income and expense statements and industry norms, we derived base levels of income and expense. The units of comparison include percentage of departmental and/or total revenue, amount per available room, and amount per occupied room. These units of comparison are the basis for calculating the fixed and variable component relationships for each line item.

After reviewing U.S. hotel industry averages, and the performance of comparable hotels, we developed a 10-year projection of income and expense, with the first year beginning January 1, 2020. Considering the current state of the competitive hotel market, we believe the subject property will achieve stabilization in year three of the projections, beginning January 1, 2022.

The projection of income and expense is intended to reflect the appraiser's opinion of how a typical buyer would project the subject property's operating results. Depending on the dynamics of the local market, a typical buyer's projection may be adjusted upward or downward. We have attempted to incorporate these considerations into this analysis.

Departmental Revenues

Room Revenues were calculated by estimating annual occupancy and average daily rate per occupied room for the subject property for each year of our analysis period. The estimates of occupancy were multiplied by the estimated ADR for each year to derive room revenues as shown in our DCF model. We expect the hotel's occupancy and ADR to stabilize in year three.

Occupancy, ADR, RevPAR and Rooms Revenue Conclusions			
Projection Year:	1	2	3
Fiscal Year Ending December 31:	2020	2021	2022
Number of Days in Year:	366	365	365
Number of Rooms:	287	287	287
Annual Available Rooms:	105,042	104,755	104,755
Occupied Rooms:	86,134	86,947	86,947
Annual Occupancy:	82.00%	83.00%	83.00%
Average Rate:	$389.19	$408.64	$429.08
RevPAR:	$319.14	$339.17	$356.14
Rooms Revenue	$33,522,663	$35,529,879	$37,307,069

Total Food and Beverage Revenues represent the sales from the in-room minibar of the subject hotel. All other food and beverage outlets are leased to Keith McNally and Tom Colicchio (Craft Restaurants). We have estimated food and beverage department revenues to achieve $6.01 per occupied room night in the stabilized year deflated to year one. The projections are within the range of the comparable properties on a per occupied room and ratio basis, and in line with the subject's historical figures.

Revenue Analysis: Food & Beverage						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	235	1.1%	1,424	4.55
2018	77.4%	378.86	371	1.1%	1,291	4.57
2019	79.3%	367.16	366	1.1%	1,275	4.40
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	28.0%	23,510	86.47
Middle Atlantic	78.8%	239.27	NA	23.1%	22,148	77.10
Urban	76.1%	216.71	NA	26.7%	23,430	84.76
Luxury	73.5%	339.87	NA	32.6%	52,399	195.88
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	500	1.6%	1,756	5.20
Comp Hotel 2	86.5%	329.33	175	0.7%	728	2.31
Comp Hotel 3	88.9%	297.79	5,922	23.9%	30,682	94.54
Comp Hotel 4	88.6%	304.09	2,020	8.3%	9,100	28.14
Comp Hotel 5	91.6%	351.93	2,370	15.1%	20,976	62.70
Projections						
DCF Year 1	82.0%	389.19	520	1.3%	1,810	6.03
DCF Stabilized	83.0%	429.08	555	1.3%	1,933	6.38
DCF Stabilized (Deflated)	83.0%	404.45	523	1.3%	1,822	6.01

Other Operated Departments Revenues include revenues from the operation of the miscellaneous departments, including telecommunication and internet services, in-room movie rentals, valet parking, guest laundry, commissions, cancellation fees and attrition. In order to estimate revenues in this department, we took into consideration industry averages, comparable properties' operating statements and market research. We have estimated other operated department revenues to achieve $13.41 per occupied room night in the stabilized year deflated to year one. The projections are within the range of the HOST averages on a per occupied room and ratio basis, and in line with the subject's historical figures.

Revenue Analysis: Other Operated Departments						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	420	2.0%	2,547	8.14
2018	77.4%	378.86	918	2.8%	3,198	11.32
2019	79.3%	367.16	982	2.8%	3,421	11.81
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	3.9%	3,292	12.11
Middle Atlantic	78.8%	239.27	NA	1.7%	1,668	5.80
Urban	76.1%	216.71	NA	2.4%	2,147	7.77
Luxury	73.5%	339.87	NA	7.5%	12,095	45.21
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	800	2.6%	2,809	8.31
Comp Hotel 2	86.5%	329.33	316	1.2%	1,317	4.17
Comp Hotel 3	88.9%	297.79	170	0.7%	882	2.72
Comp Hotel 4	88.6%	304.09	432	1.8%	1,946	6.02
Comp Hotel 5	91.6%	351.93	0	0.0%	2	0.00
Projections						
DCF Year 1	82.0%	389.19	1,162	2.9%	4,049	13.49
DCF Stabilized	83.0%	429.08	1,237	2.8%	4,310	14.23
DCF Stabilized (Deflated)	83.0%	404.45	1,166	2.8%	4,063	13.41

Miscellaneous Income includes rental income associated with restaurant leases with Keith McNally and Tom Colicchio. Food and beverage outlets include two full-service restaurants, atrium/lobby bar, and cellar bar lounge. Augustine restaurant has frontage on Beekman Street and Nassau Street and is leased out to Keith McNally. Temple Court restaurant is leased out to Tom Colicchio (Craft Restaurants) and operates all food and beverage operations at the hotel, including The Alley Cat bar and lounge, room service, and catering. Note that Craft Restaurants is the hotel food and beverage provider, while Keith McNally is limited to the leased Augustine restaurant space only. Please note, located in the cellar level, The Alley Cat bar and lounge commenced operations in April 2018.

We have utilized the restaurant lease abstracts provided to us by property ownership to forecast our projections in this report.

Below is the synopsis of the restaurant lease agreement with Keith McNally:

McNally Restaurant Lease Summary	
Landlord	5 Beekman Property Owner, LLC
Tenant	Slip Anchor LLC
Term	15 years; renewal period of 5 years
Premises	2,514 square feet of street level; plus 1,999 square feet of below-street level
Initial Term Minimum Rent	$125.00 times 2,514 square feet of street level gross square footage of the Premises; plus $100.00 times 1,999 square feet of below-street level square footage of the Premises, which shall be increased commencing on the first day of the 4th Lease Year, the first day of the 7th Lease Year, the first day of the 10th Lease Year and the first day of the 13th Lease Year, respectively, by 10% of the Minimum Rent in effect for the immediately preceding calendar year
Option Term Minimum Annual Rent	110% of the Minimum Rent in effect for the immediately preceding Lease Year, which shall be increased, commencing on the first day of the 19th Lease Year by an amount equal to 10% of the Minimum Rent in effect for the immediately preceding Lease Year
Percentage Rent	5% of Tenant's Gross Sales from $7,000,000.00 to $9,000,000.00 and 10% of Gross Sales over $9,000,000.00, which is payable monthly, commencing with the Lease Year that Tenant's Gross Sales exceeds such amounts
Property Taxes	Tenant shall pay its Tenant's Share of Taxes, provided however, at no time shall Tenant's Tax Payment be less than $10,000.00 per Tax Year. Commencing on the first day of the 5th Lease Year and continuing through the last day of such Lease Year, Tenant's Tax Payment shall not exceed $20,000.00. Commencing on the first day of the 6th Lease Year and continuing through the last day of the 8th Lease Year, Tenant's Tax Payment shall not exceed $30,000.00. Commencing with the first day of the 9th Lease Year and continuing through the last day of such Lease Year, Tenant's Tax Payment shall not exceed $40,000.00. Commencing with the 10th Lease Year and continuing through the Expiration Date, Tenant's Tax Payment shall be increased by 3% over the amount of the immediately preceding Lease Year for each succeeding Lease Year through the Expiration Date
Utilities	Tenant shall pay for utilities directly to the utility company; however condensed water and chilled water will be supplied to the Premises on a submetered basis and Tenant will pay for the maintenance thereof and the cost of furnishing water services to the Premises, together with Landlord's cost of reading such submeters and preparing bills within 20 days after rendition of Landlord's bill therefore
Compiled by LW Hospitality Advisors®	

Below is a synopsis of the restaurant lease agreement with Tom Colicchio:

Colicchio Restaurant Lease Summary	
Landlord	Beekman Property Owner, LLC
Tenant	Craft Beekman LLC
Term	10 years; renewal period of 5 years
Premises	9,814 square feet of space in the aggregate, consisting of the following: (i) in the Cellar Area: Function Room 1, Function Room 2, Hotel Kitchen; (ii) on the first floor: the 3 meal restaurant kitchen, 3 meal restaurant, Storage 1 and Storage 2; and (iii) on the second floor: Boardroom, Function Room 3, Pantry/BOH and Storage; and (iv) on the tenth floor, the Pantry. Tenant also has exclusive rights for Catering and related catering services in and to the portions of the Building containing approximately 5,456 square feet and consisting of: (i) on the first floor: Lobby and Atrium; and (ii) on the tenth floor: Terrace 1, and Terrace 4 ("Licensed Areas")
Initial Term Minimum Rent	Lease Year 1: $1,000,000/year; $83,333.33/month Lease Year 2: $1,250,000/year; $104,166.66/month Lease Year 3: $1,400,000/year; $116,666.66/ month Minimum Rent shall be increased on the first day of each subsequent Lease Year thereafter by an amount equal to the lesser of (i) two and a half percent (2.5%) of the Minimum Rent in effect for the immediately preceding calendar year or (ii) the percentage change in the Consumer Price Index of the immediately preceding twelve (12) month period
Option Term Minimum Annual Rent	The lesser of (i) 2.5% of the Minimum Rent in effect for the immediately preceding calendar month, or (ii) the percentage increase in the Consumer Price Index from the trailing 12 months prior to the month in which the Fixed Expiration Date occurs. Minimum Rent shall be increased on the anniversary of the first day of each subsequent Lease Year by an amount equal to the lesser of (i) 2.5% of the Minimum Rent in effect for the immediately preceding calendar month, or (ii) the percentage increase in the Consumer Price Index and each year thereafter for the life of the Renewal Term
Percentage Rent	10% of the amount by which Tenant's annual Gross Receipts exceeds $12,500,000.00, which is payable monthly, commencing with the Lease Year that Tenant's Gross Receipts exceeds such amount
Property Taxes	Tenant shall pay Tenant's Share of the Taxes. Commencing on the first day of the month following Landlord's submission to Tenant of a Tax Statement, Tenant shall pay 1/12th of the Tax Payment shown on such bill on the first day of each month during the Term. If Tenant's Tax Payment for any year increases by more than 7.5% over the previous year, Tenant may request in writing that Landlord institute a proceeding, and upon receipt of such request Landlord shall be obligated to commence such proceeding in good faith
Utilities	Landlord will supply electric, heat, water and chilled water to the HVAC and Tenant shall pay the utility company directly (except for the Event Spaces, which will be separately metered and billed to Tenant by Landlord and shall be payable within 30 days after rendition of a bill by Landlord)
Tenant's FF&E	All of Tenant's FF&E (as defined in the Lease) shall be paid for by Landlord and shall remain Landlord's property. Tenant is responsible for maintaining and replacing such FF&E and if Tenant so replaces, Tenant shall have the right to deduct in the last Lease Year the portion of the unamortized cost that extends beyond the last Lease Year from Minimum Rent
Compiled by LW Hospitality Advisors®	

Below is a synopsis of the lease agreement with Tom Colicchio for the Alley Cat operations only:

Colicchio Restaurant Lease Agreement for Alley Cat	
Date Commenced	April 6, 2018
Landlord	5 Beekman Hotel Owner, LLC
Tenant	Craft Beekman LLC
Termination	October 31, 2026 with a 5-Year Renewal Period
Premise	Operate bar and lounge known as "Alley Cat" in the basement of the property
Minimum Rent	Year 1 $800,000.00, or $66,666.67 per month Year 2 $824,000.00, or $68,666.67 per month Year 3 $848,720.00, or $70,726.67 per month Year 4 $874,181.60, or $72,848.47 per month Year 5 $900,497.05, or $75,033.92 per month Year 6 $927,511.96, or $77,292.66 per month Year 7 $955,337.32, or $79,611.44 per month Year 8 $983,997.44, or $81,999.79 per month Partial Lease Year after End of Term: $84,459.78
Percentage Rent	55.0% of the Net Operating Income after Landlord received cumulative Minimum Rent of $2,000,000
Net Operating Income	Gross Receipts less the sum of Gross Operating Expenses Plus Minimum Rent
Hotel PR Firm Use	$3,000 per month fee for PR-related Activites by the Hotel's PR Firm
Operator's Fee	4.0% of Gross Receipts
Consultant's Fee	4.0% of Gross Receipts up to the $3,500,000 in Calendar Year 5.0% of Gross Receipts from $3,500,000 to $4,500,000 in Calendar Year 6.0% of Gross Receipts over $4,500,000 in Calendar Year
Renewal Minimum Rent	Lesser of the (i) increase of 2.5% for the first Lease Year of the Renewal Term of the Minimum Rent in effect for the immediately preceding calendar month, or (ii) the percentage increase in the Consumer Price Index from the trailing twelve months prior to the month in which the Fixed Expiration Date occurs
Replacement Reserves	2.0% of Gross Receipts in Years 1 and 2 3.0% of Gross Receipts in Year 3 4.0% of Gross Receipts in Year 4 and thereafter
Compiled by LW Hospitality Advisors®	

McNally Rental Income Analysis:

The below chart details the food and beverage projections for Augustine, and the respective base and percentage rents payable to the hotel. We have also projected the restaurant's pro-rata share of property taxes based on the terms of the restaurant lease.

The restaurant income is projected to ramp up by 3.0 percent from its year-end 2019 gross sales of $7,158,752 in the first projection year, followed an inflationary increase of 3.0 percent per annum thereafter. The historical performance along with the projections are as follows:

Augustine Sales		
Subject	**Revenue**	**POR**
Actual - Year-End 2018	***$7,401,291***	***$91.32***
Actual - Year-End 2019	***$7,158,752***	***$86.14***
Subject - First Year Projection	***$7,373,515***	***$85.60***
Subject - Second Year Projection	***$7,594,720***	***$87.35***
Subject - Third Year Projection	***$7,822,562***	***$89.97***
Compiled by LW Hospitality Advisors®		

Augustine Food and Beverage Analysis										
Projection Year:	1	2	3	4	5	6	7	8	9	10
Fiscal Year Ending December 31:	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029
Augustine Sales	**$7,373,515**	**$7,594,720**	**$7,822,562**	**$8,057,238**	**$8,298,956**	**$8,547,924**	**$8,804,362**	**$9,068,493**	**$9,340,548**	**$9,620,764**
Base Rent	*$514,150*	*$565,565*	*$565,565*	*$565,565*	*$622,122*	*$622,122*	*$622,122*	*$684,334*	$684,334	$684,334
Percentage Rent: 5% of $7mm-$9mm	$18,676	$29,736	$41,128	$52,862	$64,948	$77,396	$90,218	$103,425	$117,027	$131,038
Percentage Rent Threshold	$9,000,000	$9,000,000	$9,000,000	$9,000,000	$9,000,000	$9,000,000	$9,000,000	$9,000,000	$9,000,000	$9,000,000
Percentage Rent: 10% of <$9mm	$0	$0	$0	$0	$0	$0	$0	$6,849	$34,055	$62,076
Percentage Rent Total	*$18,676*	*$29,736*	*$41,128*	*$52,862*	*$64,948*	*$77,396*	*$90,218*	*$110,274*	*$151,082*	*$193,115*
Rent Total	**$532,826**	**$595,301**	**$606,693**	**$618,427**	**$687,069**	**$699,518**	**$712,340**	**$794,608**	**$835,416**	**$877,448**
Property Tax Projections Without ICAP	$3,584,497	$3,461,492	$3,566,029	$3,673,723	$3,784,669	$3,898,966	$4,016,715	$4,138,020	$4,262,988	$4,391,730
Augustine Pro-Rata Share (2,514 SF)	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Augustine Pro-Rata Tax Liability	$80,884	$78,109	$80,467	$82,898	$85,401	$87,980	$90,637	$93,374	$96,194	$99,099
Tax Liability Threshold	n/a	n/a	$20,000	$30,000	$30,000	$30,000	$40,000	$40,000	n/a	n/a
Final Tax Liability	$80,884	$78,109	$20,000	$30,000	$30,000	$30,000	$40,000	$40,000	$41,200	$42,436
Total Augustine Rental Income	**$613,710**	**$673,410**	**$626,693**	**$648,427**	**$717,069**	**$729,518**	**$752,340**	**$834,608**	**$876,616**	**$919,884**

Colicchio Rental Income Analysis:

The below charts detail the food and beverage projections and the respective base and percentage rents payable to the hotel. We have also projected Temple Court's pro-rata share of property taxes based on the terms of the food and beverage lease. The restaurant income is projected to ramp up by 10.0 percent from its year-end 2019 gross sales of $13,759,961 in the first projection year, followed an inflationary increase of 3.0 percent per annum thereafter. The historical performance along with the projections are as follows:

Colicchio Rental Income		
Subject	**Revenue**	**POR**
Actual - Year-End 2018	***$12,977,928***	***$160.12***
Actual - Year-End 2019	***$13,759,961***	***$165.58***
Subject - First Year Projection	***$15,135,957***	***$175.72***
Subject - Second Year Projection	***$15,590,036***	***$179.31***
Subject - Third Year Projection	***$16,057,737***	***$184.68***
Compiled by LW Hospitality Advisors®		

Given the recent opening of The Alley Cat bar and lounge in April 2018, we projected revenues to ramp up by 10.0 percent from its year-end 2019 gross sales of $2,754,789 in the first projection year, followed an inflationary increase of 3.0 percent per annum thereafter. The projections appear to be reasonable given the historical performance since opening. The historical performance along with the projections are as follows:

Alley Cat - Actuals		
Subject	**Revenue**	**POR**
Actual - Year-End 2018 (April - December)	***$1,828,300***	***n/a***
Actual - Year-End 2019	***$2,754,789***	***$33.15***
Subject - First Year Projection	***$3,030,268***	***$35.18***
Subject - Second Year Projection	***$3,121,176***	***$35.90***
Subject - Third Year Projection	***$3,214,811***	***$36.97***
Compiled by LW Hospitality Advisors®		

The total food and beverage analysis for Colicchio is presented below.

Colicchio - Food and Beverage Analysis										
Projection Year:	1	2	3	4	5	6	7	8	9	10
Fiscal Year Ending December 31:	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029
Sales	**$14,447,959**	**$14,881,398**	**$15,327,840**	**$15,787,675**	**$16,261,305**	**$16,749,145**	**$17,251,619**	**$17,769,168**	**$18,302,243**	**$18,851,310**
Base Rent	*$1,400,000*	*$1,435,000*	*$1,470,875*	*$1,507,647*	*$1,545,338*	*$1,583,971*	*$1,623,571*	*$1,664,160*	$1,705,764	$1,748,408
Percentage Rent Threshold	$12,500,000	$12,500,000	$12,500,000	$12,500,000	$12,500,000	$12,500,000	$12,500,000	$12,500,000	$12,500,000	$12,500,000
Percentage Rent: 10% of Threshold Excess	*$194,796*	*$238,140*	*$282,784*	*$328,768*	*$376,131*	*$424,914*	*$475,162*	*$526,917*	*$580,224*	*$635,131*
Rent Total	**$1,594,796**	**$1,673,140**	**$1,753,659**	**$1,836,414**	**$1,921,469**	**$2,008,886**	**$2,098,733**	**$2,191,077**	**$2,285,988**	**$2,383,539**
Property Tax Projections Without ICAP	$3,584,497	$3,461,492	$3,566,029	$3,673,723	$3,784,669	$3,898,966	$4,016,715	$4,138,020	$4,262,988	$4,391,730
Temple Court Pro-Rata Share	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Temple Court Pro-Rata Tax Liability	**$298,589**	**$288,342**	**$297,050**	**$306,021**	**$315,263**	**$324,784**	**$334,592**	**$344,697**	**$355,107**	**$365,831**
Total Temple Court Rental Income	**$1,893,385**	**$1,961,482**	**$2,050,709**	**$2,142,435**	**$2,236,732**	**$2,333,670**	**$2,433,325**	**$2,535,774**	**$2,641,095**	**$2,749,370**
Alley Cat Sales	**$3,030,268**	**$3,121,176**	**$3,214,811**	**$3,311,256**	**$3,410,593**	**$3,512,911**	**$3,618,298**	**$3,726,847**	**$3,838,653**	**$3,953,812**
Base Rent	$824,000	$848,720	$874,182	$900,497	$927,512	$955,337	$983,997	$1,008,597	$1,033,812	$1,059,658
Operating Expenses	$2,121,188	$2,184,823	$2,250,368	$2,317,879	$2,387,415	$2,459,038	$2,532,809	$2,608,793	$2,687,057	$2,767,669
Net Operating Income	$85,080	$87,633	$90,262	$92,880	$95,666	$98,536	$101,492	$109,457	$117,784	$126,486
Percentage Rent: 55% of Net Operating Income	$46,794	$48,198	$49,644	$51,084	$52,616	$54,195	$55,821	$60,201	$64,781	$69,567
Total Alley Cat Rental Income	**$870,794**	**$896,918**	**$923,826**	**$951,581**	**$980,128**	**$1,009,532**	**$1,039,818**	**$1,068,799**	**$1,098,593**	**$1,129,225**
Total Colicchio Rental Income	**$2,764,179**	**$2,858,400**	**$2,974,535**	**$3,094,016**	**$3,216,860**	**$3,343,202**	**$3,473,143**	**$3,604,572**	**$3,739,688**	**$3,878,595**

We have estimated other revenues to achieve $29.07 per occupied room night in the stabilized year deflated to year one.

Revenue Analysis: Miscellaneous Income						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	1,373	6.5%	8,321	26.59
2018	77.4%	378.86	2,260	6.8%	7,875	27.88
2019	79.3%	367.16	2,809	8.1%	9,789	33.81
Projections						
DCF Year 1	82.0%	389.19	2,507	6.3%	8,736	29.11
DCF Stabilized	83.0%	429.08	2,677	6.1%	9,329	30.79
DCF Stabilized (Deflated)	83.0%	404.45	2,524	6.1%	8,793	29.03

Destination Fee daily destination fee of $30.00 per night which commenced in mid-2019, which includes unlimited phone calls, unlimited wireless Internet access in public spaces and guestrooms, use of fitness center, complimentary coffee and tea, complimentary water bottles in guestrooms, complimentary newspaper, complimentary car service, priority reservations to food and beverage outlets at the subject property, priority entry and waived service fees to 9/11 Memorial Museum, and bike rentals. Based on our conversation with property management and considering the fees charged by comparable hotels, we have projected the daily destination fee to increase in the first projection year. For the purpose our analysis, we have increased the daily destination fee to $35.00 in the first projection year, and by 3.0 percent thereafter. In addition, we estimate capture will be approximately 75.0 percent of total occupied rooms, which is generally in line with the transient segmentation. We believe these projections to be reasonable based on the hotel's current capture rate as well as considering the fees charged by comparable hotels. We believe capture rate below 100 percent is reasonable due to typical agreements with corporate accounts and groups, which typically entail waiving of the destination fees.

A complete 5-year projection is displayed below, based upon the assumptions presented.

Destination Fee Analysis					
Projection Year:	1	2	3	4	5
Fiscal Year Ending December 31:	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Daily Destination Fee	$35.00	$36.05	$37.13	$38.25	$39.39
Capture Rate	75.0%	75.0%	75.0%	75.0%	75.0%
Total Destination Fee	**$2,261,029**	**$2,350,820**	**$2,421,345**	**$2,493,985**	**$2,575,842**

Given the following comparable properties, we believe that the subject's daily destination fee is reasonable.

Destination Fee Comparables	
Comparable Hotel	Per Night
Andaz Wall Street	$35.00
Thompson Hotels Gild Hall	$19.95
The Roxy Hotel Tribeca	$34.99
The Wagner at the Battery	$45.00
Compiled by LW Hospitality Advisors®	

We estimated these revenues to be $26.25 per occupied room in the stabilized year deflated to year one.

Revenue Analysis: Destination Fee						
Subject	Occ %	ADR	$ 1000's	% Total Revenue	$ per Available Room	$ per Occupied Room
2019	79.3%	367.16	190	0.5%	663	2.29
Projections						
DCF Year 1	82.0%	389.19	2,261	5.7%	7,878	26.25
DCF Stabilized	83.0%	429.08	2,421	5.5%	8,437	27.85
DCF Stabilized (Deflated)	83.0%	404.45	2,282	5.5%	7,952	26.25

Departmental Expenses

Room Expenses include both payroll related and other departmental expenditures. Room department expenses consist of salaries and wages, uniforms, travel agent commissions, guest supplies, paper goods, cleaning, laundry, linen, and other items for maintaining guestrooms. We estimated expenses to stabilize at 28.0 percent of departmental revenues and $113.06 per occupied room deflated to year one dollars. The projections are within the range of the comparable properties. In addition, Hyatt's recent acquisition of Two Roads Hospitality (which includes Thompson) is expected to enable the subject to decrease overall expenses in this department due to savings on expenses such as reservation system fees, OTAs, and travel agent commissions.

Expense Analysis: Rooms - Combined						
Subject	Occ %	ADR	$ 1000's	% of Rooms Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	6,115	31.9%	37,063	118.42
2018	77.4%	378.86	9,168	31.1%	31,945	113.12
2019	79.3%	367.16	10,118	33.2%	35,253	121.75
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	26.3%	14,304	52.61
Middle Atlantic	78.8%	239.27	NA	32.8%	22,538	78.46
Urban	76.1%	216.71	NA	27.8%	16,673	60.32
Luxury	73.5%	339.87	NA	27.9%	25,340	94.72
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	10,411	35.0%	36,531	108.08
Comp Hotel 2	86.5%	329.33	9,031	36.2%	37,630	119.24
Comp Hotel 3	88.9%	297.79	7,257	38.9%	37,599	115.86
Comp Hotel 4	88.6%	304.09	8,982	41.1%	40,460	125.13
Comp Hotel 5	91.6%	351.93	2,211	16.6%	19,564	58.48
Projections						
DCF Year 1	82.0%	389.19	9,784	29.2%	34,092	113.59
DCF Stabilized	83.0%	429.08	10,429	28.0%	36,337	119.94
DCF Stabilized (Deflated)	83.0%	404.45	9,830	28.0%	34,251	113.06

Food & Beverage Expenses includes the cost of sales of food and beverages associated with the in-room minibars, which is the only food and beverage outlet anticipated to be operated by the hotel. We have estimated expenses to stabilize at 70.9 percent of departmental revenues.

Expense Analysis: Food & Beverage - Combined						
Subject	Occ %	ADR	$ 1000's	% of F&B Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	157	66.6%	949	3.03
2018	77.4%	378.86	284	76.6%	989	3.50
2019	79.3%	367.16	301	82.3%	1,049	3.62
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	71.0%	16,701	61.42
Middle Atlantic	78.8%	239.27	NA	89.5%	19,823	69.00
Urban	76.1%	216.71	NA	75.0%	17,581	63.60
Luxury	73.5%	339.87	NA	75.8%	39,729	148.51
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	539	107.6%	1,890	5.59
Comp Hotel 2	86.5%	329.33	214	122.4%	892	2.83
Comp Hotel 3	88.9%	297.79	4,648	78.5%	24,085	74.22
Comp Hotel 4	88.6%	304.09	2,728	135.0%	12,287	38.00
Comp Hotel 5	91.6%	351.93	2,361	99.6%	20,891	62.45
Projections						
DCF Year 1	82.0%	389.19	370	71.3%	1,291	4.30
DCF Stabilized	83.0%	429.08	394	70.9%	1,371	4.53
DCF Stabilized (Deflated)	83.0%	404.45	371	70.9%	1,293	4.27

Other Operated Departments Expenses reflect the operating costs associated with the operation of minor operated departments, including guest laundry services, meeting room rentals, parking commissions, among others. We have projected these expenses to approximate 4.9 percent of departmental revenue, or $0.66 per occupied room, in the stabilized year deflated to year one. In addition, Hyatt's recent acquisition of Two Roads Hospitality (which includes Thompson) is expected to enable the subject to decrease overall expenses in this department due to savings on expenses such as guest laundry services and parking commissions.

Expense Analysis: Other Operated Departments - Combined						
Subject	Occ %	ADR	$ 1000's	% of Other Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	153	36.3%	926	2.96
2018	77.4%	378.86	247	26.9%	860	3.04
2019	79.3%	367.16	49	4.9%	169	0.58
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	79.3%	2,609	9.60
Middle Atlantic	78.8%	239.27	NA	82.1%	1,369	4.76
Urban	76.1%	216.71	NA	70.0%	1,503	5.44
Luxury	73.5%	339.87	NA	81.8%	9,890	36.97
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	63	7.9%	221	0.65
Comp Hotel 2	86.5%	329.33	220	69.5%	915	2.90
Comp Hotel 3	88.9%	297.79	148	87.0%	768	2.37
Comp Hotel 4	88.6%	304.09	47	10.9%	212	0.66
Comp Hotel 5	91.6%	351.93	13	7314.6%	114	0.34
Projections						
DCF Year 1	82.0%	389.19	57	4.9%	199	0.66
DCF Stabilized	83.0%	429.08	61	4.9%	211	0.70
DCF Stabilized (Deflated)	83.0%	404.45	57	4.9%	199	0.66

Undistributed Operating Expenses

Administrative and General Expenses represent payroll costs and other expenses for management and administrative staff, including the manager's office, accounting office and personnel department, legal fees, credit card commissions, printing, stationery, and postage costs. In addition, Hyatt's recent acquisition of Two Roads Hospitality (which includes Thompson) is expected to enable the subject to decrease overall expenses in this department due to savings on expenses such as credit card commissions. According to property ownership, the subject property incurs Common Area Charges (CAM) related to operating the residential condominium units. For the purpose our appraisal, we assume the CAM charges to be in-place for the remainder of the projection period.

Expense Analysis: Administrative & General - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	2,884	13.6%	17,480	55.85
2018	77.4%	378.86	4,130	12.5%	14,392	50.96
2019	79.3%	367.16	3,980	11.4%	13,867	47.89
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	7.6%	6,336	23.30
Middle Atlantic	78.8%	239.27	NA	8.1%	7,742	26.95
Urban	76.1%	216.71	NA	7.9%	6,882	24.90
Luxury	73.5%	339.87	NA	7.9%	12,664	47.34
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	2,753	8.9%	9,658	28.57
Comp Hotel 2	86.5%	329.33	2,767	10.7%	11,530	36.53
Comp Hotel 3	88.9%	297.79	1,498	6.1%	7,764	23.92
Comp Hotel 4	88.6%	304.09	2,921	12.0%	13,158	40.69
Comp Hotel 5	91.6%	351.93	1,259	8.0%	11,142	33.31
Projections						
DCF Year 1	82.0%	389.19	3,593	9.0%	12,518	41.71
DCF Stabilized	83.0%	429.08	3,847	8.7%	13,405	44.25
DCF Stabilized (Deflated)	83.0%	404.45	3,626	8.7%	12,635	41.71

Information and Telecommunications Systems consists of costs associated with a hotel's technology infrastructure. This includes the costs of cell phones, administrative call and Internet services, and complimentary call and Internet services. Expenses in this category are typically organized by type of technology, or the area benefitting from the technology solution.

Expense Analysis: Information & Telecommunications Systems						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	360	1.7%	2,180	6.97
2018	77.4%	378.86	423	1.3%	1,473	5.22
2019	79.3%	367.16	437	1.3%	1,521	5.25
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	1.5%	1,256	4.62
Middle Atlantic	78.8%	239.27	NA	1.5%	1,475	5.14
Urban	76.1%	216.71	NA	1.6%	1,365	4.94
Luxury	73.5%	339.87	NA	1.5%	2,420	9.05
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	438	1.4%	1,538	4.55
Comp Hotel 2	86.5%	329.33	641	2.5%	2,673	8.47
Comp Hotel 3	88.9%	297.79	125	0.5%	649	2.00
Comp Hotel 4	88.6%	304.09	363	1.5%	1,634	5.05
Comp Hotel 5	91.6%	351.93	0	0.0%	-	0.00
Projections						
DCF Year 1	82.0%	389.19	458	1.1%	1,595	5.32
DCF Stabilized	83.0%	429.08	488	1.1%	1,700	5.61
DCF Stabilized (Deflated)	83.0%	404.45	460	1.1%	1,603	5.29

Sales and Marketing Expenses includes sales and marketing payroll, direct advertising costs, cooperative advertising, dues and subscriptions, entertainment, trade shows and travel. Additionally, the sales and marketing fee stipulated in the management agreement has been incorporated in our projection of sales and marketing expenses.

Expense Analysis: Marketing - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	2,297	10.8%	13,922	44.48
2018	77.4%	378.86	2,895	8.8%	10,089	35.72
2019	79.3%	367.16	2,955	8.5%	10,296	35.56
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	6.9%	5,766	21.21
Middle Atlantic	78.8%	239.27	NA	6.7%	6,425	22.37
Urban	76.1%	216.71	NA	7.0%	6,179	22.35
Luxury	73.5%	339.87	NA	6.3%	10,182	38.06
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	1,951	6.3%	6,845	20.25
Comp Hotel 2	86.5%	329.33	1,946	7.6%	8,110	25.70
Comp Hotel 3	88.9%	297.79	1,260	5.1%	6,530	20.12
Comp Hotel 4	88.6%	304.09	1,889	7.8%	8,511	26.32
Comp Hotel 5	91.6%	351.93	1,690	10.8%	14,958	44.72
Projections						
DCF Year 1	82.0%	389.19	2,260	5.7%	7,874	26.24
DCF Stabilized	83.0%	429.08	2,426	5.5%	8,452	27.90
DCF Stabilized (Deflated)	83.0%	404.45	2,286	5.5%	7,966	26.30

Utility Costs includes the cost of fuel, electricity, chilled water and other utilities. We estimated expenses to stabilize at 1.4 percent of total revenue and $2,045 per available room deflated to year one dollars. The subject's historical figures appear to be high; therefore, we have projected this expense to be closer in line with HOST averages and comparable properties.

Expense Analysis: Utility Costs						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	472	2.2%	2,864	9.15
2018	77.4%	378.86	672	2.0%	2,341	8.29
2019	79.3%	367.16	626	1.8%	2,181	7.53
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	2.9%	2,456	9.03
Middle Atlantic	78.8%	239.27	NA	2.8%	2,686	9.35
Urban	76.1%	216.71	NA	2.8%	2,476	8.96
Luxury	73.5%	339.87	NA	2.6%	4,147	15.50
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	765	2.5%	2,683	7.94
Comp Hotel 2	86.5%	329.33	569	2.2%	2,371	7.51
Comp Hotel 3	88.9%	297.79	445	1.8%	2,305	7.10
Comp Hotel 4	88.6%	304.09	596	2.5%	2,685	8.30
Comp Hotel 5	91.6%	351.93	359	2.3%	3,176	9.49
Projections						
DCF Year 1	82.0%	389.19	586	1.5%	2,041	6.80
DCF Stabilized	83.0%	429.08	623	1.4%	2,170	7.16
DCF Stabilized (Deflated)	83.0%	404.45	587	1.4%	2,045	6.75

Property Operation and Maintenance includes the payroll costs of the maintenance and engineering staffs, elevator maintenance, waste removal, supplies and maintenance contracts. We estimated expenses to stabilize at 3.6 percent of total revenue and $5,241 per available room deflated to year one dollars. The subject's historical figures appear to be high; therefore, we have projected this expense to be closer in line with HOST averages and comparable properties.

Expense Analysis: Property Operation & Maintenance - Combined						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	993	4.7%	6,018	19.23
2018	77.4%	378.86	1,485	4.5%	5,175	18.32
2019	79.3%	367.16	1,558	4.5%	5,430	18.75
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	4.1%	3,442	12.66
Middle Atlantic	78.8%	239.27	NA	4.5%	4,339	15.10
Urban	76.1%	216.71	NA	4.0%	3,530	12.77
Luxury	73.5%	339.87	NA	4.2%	6,696	25.03
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	1,692	5.4%	5,937	17.57
Comp Hotel 2	86.5%	329.33	1,205	4.7%	5,019	15.90
Comp Hotel 3	88.9%	297.79	841	3.4%	4,356	13.42
Comp Hotel 4	88.6%	304.09	1,625	6.7%	7,321	22.64
Comp Hotel 5	91.6%	351.93	444	2.8%	3,929	11.74
Projections						
DCF Year 1	82.0%	389.19	1,483	3.7%	5,168	17.22
DCF Stabilized	83.0%	429.08	1,596	3.6%	5,560	18.35
DCF Stabilized (Deflated)	83.0%	404.45	1,504	3.6%	5,241	17.30

Fixed Expenses

Management Fees are calculated based on the existing hotel management agreement. Typical hotel management agreement percentages, when, combined with incentive management fees range from 3.0 percent to 5.0 percent of total revenue.

This report assumes that the subject property is encumbered by the management agreement with Thompson Hotels, LLC. For this appraisal, we did not receive the management agreement; however, we did receive and rely on the abstract. The in-place management agreement stipulates a base management fee of 3.0 percent of total hotel gross revenues, as well as 1.0 percent of gross revenues in respect of food and beverage operations, or in such case, the projected rental income. The management agreement also stipulates an additional 0.5 percent of gross revenues in respect of food and beverage operations such that the third-party operated food and beverage outlets have reached budget; however, given the uncertainty of budget figures, this appraisal does not incorporate the additional fee. The sales and marketing fee stipulated in the management agreement has been incorporated in our projection of sales and marketing expenses. In addition, according to property ownership, the subject property's reserve for replacement has been reduced from 4.0 percent of total revenues to 3.0 percent of total revenues. Although requested, we were not provided with the updated management agreement. For the purpose of our appraisal, we assume the information provided to be accurate and have projected accordingly.

Synopsis of Management Agreement	
Owner	5 Beekman JV LLC
Operator	Thompson Hotels, LLC
Effective Date	March 5, 2012
Term	20th Anniversary of Opening Date; automatic renewal period of 5 years (provided that hotel has achieved a RevPAR Index of at least 90 percent)
Base Management Fee	Three percent (3.0%) of the Hotel Gross Revenues for each Operating Year during the Term One percent (1.0%) of the Gross Revenues generated for such Operating Year in respect of such food and beverage operations; provided however, that payment of one-half of this Food and Beverage Fee shall be contingent on the Gross Revenues from such third-party managed food and beverage operations equaling or exceeding the budgeted Gross Revenues, as agreed by Owner and Operator, for the same period
Sales and Marketing Fee	Three quarters of one percent (0.75%) of the Hotel Gross Revenues for such Operating Year for sales and marketing services.
Incentive Management Fee	Fifteen percent (15%) of: the Hotel Net Operating Income for each Operating Year that is in excess of an amount equal to a simple twelve percent (12%) return on the Owner's Invested Capital in the Hotel
Replacement Reserve	Two percent (2%) of Gross Revenues for each Accounting Month during the first (1st) Operating Year; two percent (2%) of Gross Revenues for each Accounting Month during the second (2nd) Operating Year; three percent (3%) of Gross Revenues for each Accounting Month during the third (3rd) Operating Year; and four percent (4%) of Gross Revenues for each Accounting Month thereafter
Termination Upon Sale	Owner shall have the right, exercisable after the first five (5) Operating Years following the Commencement Date, but only upon a sale of the Hotel to an unrelated third-party, to terminate this Agreement, without there being an Event of Default or any other cause, upon sixty (60) days prior written notice, provided that Owner shall pay the Termination Fee
Termination Due to Lack of Performance	Commencing after the third full Operating Year, Owner shall have the right to terminate this Agreement upon ninety (90) days prior written notice, delivered within sixty (60) days of Owner's receipt of the Annual Statement applicable to the prior Operating Year (for the purposes of this Section 9.3.1, a "Measurement Year"), and no Termination Fee shall be due to Operator in connection with such termination if (A) over any two (2) consecutive Operating Years following the third full Operating Year the Hotel fails to achieve an annualized RevPAR Index that is more than the following: (i) fourth (4th) full Operating Year - eighty-eight percent (88%); and (ii) fifth (5th) full Operating Year and for each Operating Year thereafter - ninety percent (90%), or (B) for any Operating Year following the third full Operating Year, the Hotel Net Operating Income for each Operating Year does not at least equal a simple eight percent (8%) return on the Owner's

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The incentive management fee is calculated as 15.0 percent of the hotel's net operating income for such fiscal year in excess of 12.0 percent of the Owner's Invested Capital. The Net Operating Income does not exceed the 12.0 percent return on Owner's Invested Capital of $170,000,000 (provided by property ownership) until the eighth projection year, as illustrated below.

Management Fee Analysis										
Projection Year:	1	2	3	4	5	6	7	8	9	10
Fiscal Year Ending December 31:	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029
Total Hotel Revenue	$37,465,201	$39,620,241	$41,520,142	$42,765,537	$44,169,315	$45,369,545	$46,730,997	$48,133,109	$49,712,703	$51,064,165
Base Management Fee	$1,123,956	$1,188,607	$1,245,604	$1,282,966	$1,325,079	$1,361,086	$1,401,930	$1,443,993	$1,491,381	$1,531,925
Total Rental Income	$2,507,094	$2,634,892	$2,677,402	$2,790,862	$2,953,801	$3,063,188	$3,185,665	$3,370,381	$3,517,711	$3,669,255
Food & Beverage Management Fee	$25,071	$26,349	$26,774	$27,909	$29,538	$30,632	$31,857	$33,704	$35,177	$36,693
Total Management Fee	**$1,149,027**	**$1,214,956**	**$1,272,378**	**$1,310,875**	**$1,354,617**	**$1,391,718**	**$1,433,787**	**$1,477,697**	**$1,526,558**	**$1,568,618**

Incentive Management Fee										
Projection Year:	1	2	3	4	5	6	7	8	9	10
Fiscal Year Ending December 31:	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029
Hotel Net Operating Income	$15,171,564	$16,781,260	$17,878,054	$18,442,674	$19,120,549	$19,654,073	$20,270,160	$20,956,107	$21,686,893	$22,312,827
Owner's Invested Capital	$170,000,000	$170,000,000	$170,000,000	$170,000,000	$170,000,000	$170,000,000	$170,000,000	$170,000,000	$170,000,000	$170,000,000
12% Return on Owner's Invested Capital	$20,400,000	$20,400,000	$20,400,000	$20,400,000	$20,400,000	$20,400,000	$20,400,000	$20,400,000	$20,400,000	$20,400,000
NOI in excess of Return on Capital	$0	$0	$0	$0	$0	$0	$0	$556,107	$1,286,893	$1,912,827
15% of NOI minus Return on Capital	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$83,416**	**$193,034**	**$286,924**

Property Taxes have been calculated based on our analysis in the preceding Assessment and Real Estate Taxes section. Please see the Assessment and Real Estate Taxes section for greater detail on this projection. In addition, the projections below exclude ICAP tax benefits.

Expense Analysis: Property Taxes						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	3,145	14.8%	19,063	60.91
2018	77.4%	378.86	3,424	10.4%	11,931	42.25
2019	79.3%	367.16	579	1.7%	2,017	6.97
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	3.4%	2,817	10.36
Middle Atlantic	78.8%	239.27	NA	5.8%	5,577	19.41
Urban	76.1%	216.71	NA	4.2%	3,711	13.43
Luxury	73.5%	339.87	NA	3.2%	5,221	19.52
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	2,801	9.0%	9,829	29.08
Comp Hotel 2	86.5%	329.33	3,296	12.8%	13,732	43.51
Comp Hotel 3	88.9%	297.79	1,517	6.1%	7,862	24.23
Comp Hotel 4	88.6%	304.09	1,410	5.8%	6,352	19.64
Comp Hotel 5	91.6%	351.93	954	6.1%	8,439	25.23
Projections						
DCF Year 1	82.0%	389.19	3,584	9.0%	12,490	41.62
DCF Stabilized	83.0%	429.08	3,566	8.1%	12,425	41.01
DCF Stabilized (Deflated)	83.0%	404.45	3,361	8.1%	11,712	38.66

Insurance of the cost of insuring the property and its contents against damage or destruction. Based on industry experience and insurance expenses of comparable hotels, insurance expenses are estimated to be $787 per available room in the stabilized year deflated to year one. The projections are in line with the performance of the comparable properties on a ratio basis.

Expense Analysis: Insurance						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	210	1.0%	1,270	4.06
2018	77.4%	378.86	151	0.5%	525	1.86
2019	79.3%	367.16	140	0.4%	489	1.69
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	0.9%	770	2.83
Middle Atlantic	78.8%	239.27	NA	0.9%	824	2.87
Urban	76.1%	216.71	NA	0.8%	706	2.56
Luxury	73.5%	339.87	NA	1.2%	1,880	7.03
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	424	1.4%	1,487	4.40
Comp Hotel 2	86.5%	329.33	11	0.0%	44	0.14
Comp Hotel 3	88.9%	297.79	134	0.5%	695	2.14
Comp Hotel 4	88.6%	304.09	194	0.8%	873	2.70
Comp Hotel 5	91.6%	351.93	108	0.7%	956	2.86
Projections						
DCF Year 1	82.0%	389.19	227	0.6%	789	2.63
DCF Stabilized	83.0%	429.08	240	0.5%	835	2.76
DCF Stabilized (Deflated)	83.0%	404.45	226	0.5%	787	2.60

Reserve for Replacement is typically 3.0 percent to 5.0 percent of total revenue to provide for the timely replacement of furniture, fixtures and equipment. According to property ownership, the subject property's reserve for replacement has been reduced from 4.0 percent of total revenues to 3.0 percent of total revenues. Although requested, we were not provided with the updated management agreement. For the purpose of our appraisal, we assume the information provided to be accurate and have projected accordingly.

Expense Analysis: Reserve for Replacement						
Subject	Occ %	ADR	$ 1000's	% of Total Revenue	$ per Available Room	$ per Occupied Room
2017	73.3%	371.02	202	1.0%	1,225	3.91
2018	77.4%	378.86	992	3.0%	3,457	12.24
2019	79.3%	367.16	1,045	3.0%	3,641	12.57
Industry Averages						
Chain-Affiliated	74.7%	200.25	NA	2.5%	2,115	7.78
Middle Atlantic	78.8%	239.27	NA	2.3%	2,201	7.66
Urban	76.1%	216.71	NA	2.4%	2,096	7.58
Luxury	73.5%	339.87	NA	2.8%	4,446	16.62
Comparable Hotels						
Comp Hotel 1	92.6%	309.17	1,307	4.2%	4,585	13.56
Comp Hotel 2	86.5%	329.33	0	0.0%	-	0.00
Comp Hotel 3	88.9%	297.79	0	0.0%	-	0.00
Comp Hotel 4	88.6%	304.09	1,195	4.9%	5,383	16.65
Comp Hotel 5	91.6%	351.93	470	3.0%	4,161	12.44
Projections						
DCF Year 1	82.0%	389.19	1,199	3.0%	4,178	13.92
DCF Stabilized	83.0%	429.08	1,326	3.0%	4,620	15.25
DCF Stabilized (Deflated)	83.0%	404.45	1,250	3.0%	4,355	14.37

Ten-Year Projection of Income and Expense

The following ten-year projection of income and expense reflects the subject property's anticipated performance on a calendar basis beginning January 1, 2020. Stabilization is anticipated to occur in year three of the projection period. The statements are expressed in inflated dollars for each fiscal year.

The Beekman, A Thompson Hotel
10 Year Summary

Projection Year	1	2	3	4	5	6	7	8	9	10	11
Fiscal Year Ending December 31:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Days in Year	366	365	365	365	366	365	365	365	366	365	365
Number of Rooms	287	287	287	287	287	287	287	287	287	287	287
Rooms Available	105,042	104,755	104,755	104,755	105,042	104,755	104,755	104,755	105,042	104,755	104,755
Occupied Rooms	86,134	86,947	86,947	86,947	87,185	86,947	86,947	86,947	87,185	86,947	86,947
Occupancy	82.00%	83.00%	83.00%	83.00%	83.00%	83.00%	83.00%	83.00%	83.00%	83.00%	83.00%
Average Rate	389.19	408.64	429.08	441.95	455.21	468.86	482.93	497.42	512.34	527.71	543.54
RevPAR	319.14	339.17	356.14	366.82	377.82	389.15	400.83	412.86	425.24	438.00	451.14

	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %	$ (000's)	Gross %
REVENUE																						
Rooms	33,523	83.9%	35,530	84.1%	37,307	84.4%	38,426	84.3%	39,687	84.2%	40,766	84.2%	41,989	84.1%	43,249	84.0%	44,668	83.9%	45,883	83.8%	47,259	83.7%
Food & Beverage	520	1.3%	539	1.3%	555	1.3%	571	1.3%	590	1.3%	606	1.3%	624	1.3%	643	1.2%	664	1.2%	682	1.2%	703	1.2%
Other Operated Departments	1,162	2.9%	1,201	2.8%	1,237	2.8%	1,274	2.8%	1,316	2.8%	1,352	2.8%	1,392	2.8%	1,434	2.8%	1,481	2.8%	1,521	2.8%	1,567	2.8%
Miscellaneous Income	2,507	6.3%	2,635	6.2%	2,677	6.1%	2,791	6.1%	2,954	6.3%	3,063	6.3%	3,186	6.4%	3,370	6.5%	3,518	6.6%	3,669	6.7%	3,894	6.9%
Destination Fee	2,261	5.7%	2,351	5.6%	2,421	5.5%	2,494	5.5%	2,576	5.5%	2,646	5.5%	2,725	5.5%	2,807	5.5%	2,899	5.4%	2,978	5.4%	3,067	5.4%
Total Revenue	**39,972**	**100.0%**	**42,255**	**100.0%**	**44,198**	**100.0%**	**45,556**	**100.0%**	**47,123**	**100.0%**	**48,433**	**100.0%**	**49,917**	**100.0%**	**51,503**	**100.0%**	**53,230**	**100.0%**	**54,733**	**100.0%**	**56,490**	**100.0%**
DEPARTMENTAL EXPENSES																						
Rooms - Combined	9,784	29.2%	10,125	28.5%	10,429	28.0%	10,742	28.0%	11,094	28.0%	11,396	28.0%	11,738	28.0%	12,090	28.0%	12,486	28.0%	12,826	28.0%	13,211	28.0%
Food & Beverage - Combined	370	71.3%	382	70.9%	394	70.9%	405	70.9%	419	70.9%	430	70.9%	443	70.9%	456	70.9%	471	70.9%	484	70.9%	499	70.9%
Other Operated Departments - Combined	57	4.9%	59	4.9%	61	4.9%	62	4.9%	64	4.9%	66	4.9%	68	4.9%	70	4.9%	72	4.9%	74	4.9%	77	4.9%
Total Departmental Expenses	10,212	25.5%	10,566	25.0%	10,883	24.6%	11,209	24.6%	11,577	24.6%	11,892	24.6%	12,249	24.5%	12,616	24.5%	13,030	24.5%	13,384	24.5%	13,786	24.4%
Total Departmental Profit	**29,760**	**74.5%**	**31,689**	**75.0%**	**33,315**	**75.4%**	**34,347**	**75.4%**	**35,546**	**75.4%**	**36,541**	**75.4%**	**37,668**	**75.5%**	**38,887**	**75.5%**	**40,200**	**75.5%**	**41,349**	**75.5%**	**42,704**	**75.6%**
UNDISTRIBUTED OPERATING EXPENSES																						
Administrative & General - Combined	3,593	9.0%	3,719	8.8%	3,847	8.7%	3,963	8.7%	4,095	8.7%	4,207	8.7%	4,334	8.7%	4,466	8.7%	4,614	8.7%	4,741	8.7%	4,886	8.6%
Information & Telecommunications Systems	458	1.1%	473	1.1%	488	1.1%	503	1.1%	519	1.1%	533	1.1%	550	1.1%	566	1.1%	585	1.1%	601	1.1%	619	1.1%
Marketing - Combined	2,260	5.7%	2,343	5.5%	2,426	5.5%	2,499	5.5%	2,582	5.5%	2,653	5.5%	2,733	5.5%	2,817	5.5%	2,910	5.5%	2,990	5.5%	3,082	5.5%
Utility Costs	586	1.5%	604	1.4%	623	1.4%	641	1.4%	663	1.4%	681	1.4%	701	1.4%	722	1.4%	746	1.4%	766	1.4%	790	1.4%
Property Operation & Maintenance - Combined	1,483	3.7%	1,540	3.6%	1,596	3.6%	1,644	3.6%	1,699	3.6%	1,746	3.6%	1,798	3.6%	1,854	3.6%	1,915	3.6%	1,968	3.6%	2,028	3.6%
Total Undistributed Operating Expenses	8,380	21.0%	8,679	20.5%	8,979	20.3%	9,251	20.3%	9,558	20.3%	9,820	20.3%	10,116	20.3%	10,425	20.2%	10,770	20.2%	11,066	20.2%	11,404	20.2%
GROSS OPERATING PROFIT	**21,381**	**53.5%**	**23,011**	**54.5%**	**24,336**	**55.1%**	**25,097**	**55.1%**	**25,988**	**55.1%**	**26,721**	**55.2%**	**27,552**	**55.2%**	**28,462**	**55.3%**	**29,431**	**55.3%**	**30,283**	**55.3%**	**31,299**	**55.4%**
Management Fee	1,199	3.0%	1,268	3.0%	1,326	3.0%	1,367	3.0%	1,414	3.0%	1,453	3.0%	1,497	3.0%	1,545	3.0%	1,597	3.0%	1,642	3.0%	1,695	3.0%
INCOME BEFORE FIXED CHARGES	**20,182**	**50.5%**	**21,743**	**51.5%**	**23,010**	**52.1%**	**23,730**	**52.1%**	**24,574**	**52.1%**	**25,268**	**52.2%**	**26,054**	**52.2%**	**26,917**	**52.3%**	**27,834**	**52.3%**	**28,641**	**52.3%**	**29,604**	**52.4%**
Selected Fixed Charges																						
Property Taxes	3,584	9.0%	3,461	8.2%	3,566	8.1%	3,674	8.1%	3,785	8.0%	3,899	8.1%	4,017	8.0%	4,138	8.0%	4,263	8.0%	4,392	8.0%	4,524	8.0%
Insurance	227	0.6%	233	0.6%	240	0.5%	247	0.5%	255	0.5%	262	0.5%	270	0.5%	278	0.5%	287	0.5%	295	0.5%	304	0.5%
Reserve for Replacement	1,199	3.0%	1,268	3.0%	1,326	3.0%	1,367	3.0%	1,414	3.0%	1,453	3.0%	1,497	3.0%	1,545	3.0%	1,597	3.0%	1,642	3.0%	1,695	3.0%
Incentive Management Fee	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	83	0.2%	193	0.4%	287	0.5%	402	0.7%
Net Operating Income	**15,172**	**38.0%**	**16,781**	**39.7%**	**17,878**	**40.5%**	**18,443**	**40.5%**	**19,121**	**40.6%**	**19,654**	**40.6%**	**20,270**	**40.6%**	**20,873**	**40.5%**	**21,494**	**40.4%**	**22,026**	**40.2%**	**22,680**	**40.1%**

Detailed Projections of Income and Expense

The Beekman, A Thompson Hotel
Cash Flow Detail

	Actual				DCF Year 1				DCF Year 2				Stabilized DCF Year 3			
Projected Fiscal Year Ending December 31:	2019		(YE December 31)		2020				2021				2022			
Number of Days in Year:	365				366				365				365			
Number of Rooms:	287				287				287				287			
Annual Available Rooms:	104,755				105,042				104,755				104,755			
Occupied Rooms:	83,102				86,134				86,947				86,947			
Annual Occupancy:	79.33%				82.00%				83.00%				83.00%			
Average Rate:	367.16				389.19				408.64				429.08			
RevPAR:	291.28				319.14				339.17				356.14			
Revenue	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**	**Amount**	**Gross %**	**PAR**	**POR**
Rooms	30,487,874	87.5%	106,230	366.87	33,522,663	83.9%	116,804	389.19	35,529,879	84.1%	123,797	408.64	37,307,069	84.4%	129,990	429.08
Food & Beverage	366,060	1.1%	1,275	4.40	519,571	1.3%	1,810	6.03	538,618	1.3%	1,877	6.19	554,776	1.3%	1,933	6.38
Other Operated Departments	981,829	2.8%	3,421	11.81	1,161,938	2.9%	4,049	13.49	1,200,924	2.8%	4,184	13.81	1,236,952	2.8%	4,310	14.23
Miscellaneous Income	2,809,425	8.1%	9,789	33.81	2,507,094	6.3%	8,736	29.11	2,634,892	6.2%	9,181	30.30	2,677,402	6.1%	9,329	30.79
Destination Fee	190,230	0.5%	663	2.29	2,261,029	5.7%	7,878	26.25	2,350,820	5.6%	8,191	27.04	2,421,345	5.5%	8,437	27.85
Total Revenue	**34,835,418**	**100.0%**	**121,378**	**419.19**	**39,972,296**	**100.0%**	**139,276**	**464.07**	**42,255,133**	**100.0%**	**147,230**	**485.99**	**44,197,544**	**100.0%**	**153,998**	**508.33**
Departmental Expenses																
Rooms - Combined	10,117,718	33.2%	35,253	121.75	9,784,417	29.2%	34,092	113.59	10,124,924	28.5%	35,278	116.45	10,428,672	28.0%	36,337	119.94
Food & Beverage - Combined	301,169	82.3%	1,049	3.62	370,426	71.3%	1,291	4.30	382,096	70.9%	1,331	4.39	393,559	70.9%	1,371	4.53
Other Operated Departments - Combined	48,590	4.9%	169	0.58	57,028	4.9%	199	0.66	58,761	4.9%	205	0.68	60,524	4.9%	211	0.70
Total Departmental Expenses	**10,467,477**	**30.0%**	**36,472**	**125.96**	**10,211,870**	**25.5%**	**35,581**	**118.56**	**10,565,782**	**25.0%**	**36,815**	**121.52**	**10,882,755**	**24.6%**	**37,919**	**125.17**
Departmental Income (Loss)	**24,367,941**	**70.0%**	**84,906**	**293.23**	**29,760,426**	**74.5%**	**103,695**	**345.51**	**31,689,351**	**75.0%**	**110,416**	**364.47**	**33,314,789**	**75.4%**	**116,079**	**383.16**
Undistributed Operating Expenses																
Administrative & General - Combined	3,979,686	11.4%	13,867	47.89	3,592,719	9.0%	12,518	41.71	3,719,296	8.8%	12,959	42.78	3,847,180	8.7%	13,405	44.25
Information & Telecommunications Systems	436,558	1.3%	1,521	5.25	457,829	1.1%	1,595	5.32	472,508	1.1%	1,646	5.43	487,943	1.1%	1,700	5.61
Marketing - Combined	2,954,868	8.5%	10,296	35.56	2,259,920	5.7%	7,874	26.24	2,343,067	5.5%	8,164	26.95	2,425,606	5.5%	8,452	27.90
Utility Costs	625,905	1.8%	2,181	7.53	585,690	1.5%	2,041	6.80	603,526	1.4%	2,103	6.94	622,711	1.4%	2,170	7.16
Property Operation & Maintenance - Combined	1,558,464	4.5%	5,430	18.75	1,483,356	3.7%	5,168	17.22	1,540,224	3.6%	5,367	17.71	1,595,762	3.6%	5,560	18.35
Total Undistributed Operating Expenses	**9,555,481**	**27.4%**	**33,294**	**114.98**	**8,379,514**	**21.0%**	**29,197**	**97.28**	**8,678,621**	**20.5%**	**30,239**	**99.82**	**8,979,202**	**20.3%**	**31,286**	**103.27**
Income After Undistributed Operating Expenses	**14,812,460**	**42.5%**	**51,611**	**178.24**	**21,380,912**	**53.5%**	**74,498**	**248.23**	**23,010,730**	**54.5%**	**80,177**	**264.65**	**24,335,587**	**55.1%**	**84,793**	**279.89**
Fixed Charges																
Management Fee	1,044,665	3.0%	3,640	12.57	1,199,169	3.0%	4,178	13.92	1,267,654	3.0%	4,417	14.58	1,325,926	3.0%	4,620	15.25
Property Taxes	579,019	1.7%	2,017	6.97	3,584,497	9.0%	12,490	41.62	3,461,492	8.2%	12,061	39.81	3,566,029	8.1%	12,425	41.01
Insurance	140,407	0.4%	489	1.69	226,513	0.6%	789	2.63	232,671	0.6%	811	2.68	239,651	0.5%	835	2.76
Reserve for Replacement	1,044,929	3.0%	3,641	12.57	1,199,169	3.0%	4,178	13.92	1,267,654	3.0%	4,417	14.58	1,325,926	3.0%	4,620	15.25
Total Fixed Charges	**2,809,020**	**8.1%**	**9,788**	**33.80**	**6,209,348**	**15.5%**	**21,635**	**72.09**	**6,229,470**	**14.7%**	**21,705**	**71.65**	**6,457,532**	**14.6%**	**22,500**	**74.27**
Incentive Management Fee	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00
Hotel Cash Flow	**12,003,440**	**34.5%**	**41,824**	**144.44**	**15,171,564**	**38.0%**	**52,863**	**176.14**	**16,781,260**	**39.7%**	**58,471**	**193.01**	**17,878,054**	**40.5%**	**62,293**	**205.62**
NOI Adjusted for 3% Management and 3% Reserves	**12,002,909**	**34.5%**	**41,822**	**144.44**												

Capitalization and Discount Rates

Capitalization is defined as the process of converting a series of anticipated future periodic installments of net income into present value. The anticipated net income stream is converted into a value opinion by a rate that attracts capital to purchase investments with similar characteristics, such as risk, terms and liquidity. The capitalization process takes into consideration the quantity, quality and durability of the income stream in determining which rates are appropriate for valuing the subject hotel.

Discounted cash flow analysis can be used to develop an opinion of present value of an income stream. Periodic cash flows and the projected reversion amount at the end of a holding period are discounted at an appropriate rate. Our analysis refers to an all-cash purchase. The following text details our analysis.

Based upon our knowledge of current investment returns required by typical hotel investors, along with factors affecting investment risk specific to the subject property, we employed a reversionary capitalization rate of 6.00 percent for the subject property.

The discount rate is the rate of return which equals the sum of the real return anticipated in the investment plus a change in value and any risk premiums associated with the specific investment when compared to alternative investments. It is the average annual rate of return necessary to attract capital based upon the overall investment characteristics.

The discount rate selection requires the appraiser to interpret the attitudes and expectations of market participants. Discount rates are partly a function of perceived risks. Risk is a function of general economic conditions and characteristics of the investment. The critical elements of an investment include the quantity and certainty of gross income, operating expenses, and resultant net income over some future time period. Value is a reflection of future income expectations and such elements are risky.

A determination of the proper discount and capitalization rates for the subject involved speaking with investors and brokers of hotel properties throughout the country, discussing investment parameters with other hospitality industry experts, and considering the results of several published investment surveys.

The investor surveys summarized in the following table have been used in our selection of the appropriate discount and terminal capitalization rates for the subject hotel. It should be noted that the surveys often lag the market and are not always a true representation of current return requirements. This is especially true in the current landscape as there are very few recent transactions to gauge. While the data is not perfect, it is generally relied upon by investors in the market and will be used in this analysis.

Hotel Investor Survey									
	Discount Rate			Overall Cap Rate			Residual Cap Rate		
Type	Range		Average	Range		Average	Range		Average
PwC Hotels									
Luxury/Upper-Upscale									
Q3 2019	6.25%	13.00%	9.55%	4.00%	9.50%	7.05%	5.50%	9.50%	7.33%
Q12019	6.25%	13.00%	9.55%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q3 2018	6.25%	12.00%	9.45%	4.00%	9.00%	7.05%	5.50%	9.50%	7.33%
Q1 2018	6.50%	12.00%	9.50%	4.00%	9.00%	7.05%	5.50%	9.50%	7.23%
Q3 2017	6.50%	12.00%	9.53%	4.00%	9.00%	7.03%	5.00%	9.50%	7.18%
Full Service									
Q3 2019	8.00%	11.00%	9.90%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q12019	8.00%	11.00%	9.70%	6.00%	9.00%	7.43%	7.00%	10.00%	8.25%
Q3 2018	8.00%	13.00%	10.20%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q1 2018	8.00%	13.50%	10.33%	6.00%	10.00%	7.73%	7.00%	10.00%	8.35%
Q3 2017	8.00%	13.00%	10.19%	6.00%	10.00%	7.85%	7.00%	10.00%	8.44%
Limited Service*									
Q3 2019	8.00%	14.00%	10.55%	7.50%	12.00%	9.15%	7.75%	12.00%	9.48%
Q12019	8.50%	14.00%	10.80%	7.50%	11.00%	9.05%	7.75%	12.00%	9.53%
Q3 2018	8.50%	13.00%	10.50%	7.50%	11.00%	9.15%	7.75%	11.00%	9.38%
Q1 2018	8.50%	13.00%	11.00%	7.50%	11.00%	9.15%	7.75%	11.00%	9.78%
Q3 2017	8.50%	13.00%	11.00%	7.50%	11.00%	9.08%	7.75%	11.00%	9.83%
Select Service**									
Q3 2019	8.00%	12.00%	10.30%	6.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q12019	8.00%	12.00%	10.10%	7.00%	10.00%	8.31%	7.00%	10.00%	8.45%
Q3 2018	8.00%	11.00%	9.55%	7.00%	10.00%	8.50%	7.00%	10.00%	8.75%
Q1 2018	7.50%	12.00%	9.90%	6.50%	10.00%	8.56%	7.00%	10.75%	8.93%
Q3 2017	8.00%	12.00%	10.20%	6.50%	10.00%	8.70%	7.00%	10.75%	9.08%

** Limited Service includes midscale and economy lodging with rooms only*

*** Select Service includes upscale and upper-midscale lodging with rooms only.*

Source: PwC Real estate Investor Survey - Q3 2019

Hotel Investor Survey						
	Pre-Tax Yield (IRR)		Going-In Cap Rate		Terminal Cap Rate	
Type	Range	Average	Range	Average	Range	Average
RERC						
First-Tier Properties*						
West	8.00% - 10.00%	9.10%	6.00% - 8.50%	7.20%	6.80% - 8.50%	7.90%
Midwest	5.50% - 10.80%	8.90%	6.50% - 8.00%	7.50%	7.50% - 9.00%	8.10%
South	7.80% - 10.50%	9.00%	5.50% - 8.50%	7.40%	6.00% - 9.50%	8.00%
East	9.00% - 10.00%	9.70%	6.30% - 9.50%	8.30%	6.40% - 10.00%	8.60%
Second-Tier Properties**						
West	8.50% - 10.50%	9.60%	7.00% 8.50%	8.00%	7.50% 9.00%	8.60%
Midwest	8.50% - 11.10%	10.00%	6.50% 9.50%	8.30%	7.00% 10.90%	9.00%
South	8.00% - 13.00%	9.70%	6.00% 10.00%	8.20%	6.50% 12.00%	9.10%
East	9.50% - 11.50%	10.30%	5.40% 10.50%	8.60%	9.00% 10.50%	9.50%
Third-Tier Properties***						
West	9.50% - 12.00%	10.30%	7.50% - 10.00%	8.60%	8.50% - 10.50%	9.30%
Midwest	8.50% - 12.50%	10.60%	7.00% - 10.80%	9.20%	8.50% - 11.30%	10.10%
South	8.50% - 12.00%	10.20%	8.00% - 10.00%	9.10%	8.50% - 11.00%	9.60%
East	7.60% - 12.00%	10.60%	8.50% - 10.50%	9.50%	6.90% - 11.00%	9.80%

** First-tier investment properties are defined as new or newer quality construction in prime to good locations*

*** Second-tier investment properties are defined as aging, former first-tier properties, in good to average locations*

****Third-tier investment properties are defined as older properties with functional inadequacies and/or in marginal locations*

Source: Situs RERC Investment Survey - Q4 2018

Our analysis of applicable terminal capitalization and discount rates for the subject property specifically considered the building type and condition, the current local hotel market conditions, estimated future trends in the local and national market for transient accommodations, and current investor considerations and required returns on investment for similar investments in limited-service hotels where the fee simple interest is being conveyed.

Several factors have been considered in the overall discount rate and reversionary rate selection.

Factors suggesting a lower rate of risk include:

- The subject site is situated in a favorable location in the Civic Center neighborhood of Lower Manhattan, in close proximity to City Hall and the World Trade Center;

- The subject hotel is a newly renovated and redeveloped property within a competitive market of seemingly older hotels that have not recently completed any major renovations;

- The subject hotel is considered a "trophy asset";

- The subject benefits from the ICAP tax program;

- The subject property is in excellent condition;

- The subject property is encumbered of brand and management, but could be terminated following the initial five operating years upon payment of a termination fee;

- The subject market has high barriers to entry;

- Tourism in New York City has been strong over the past several years, and is expected to continue improving;

- The competitive market has experienced high occupancy levels growth during the past several years, which is anticipated to continue going forward despite current year-to-date trends;

- The Lower Manhattan hotel market exhibits a popular market for potential investors, evident by the recent increasing investment and transaction activity, as well as the number of proposed supply in the next several years;

- The subject is affiliated with the Thompson brand and benefits from the Hyatt reservation system and guest loyalty program.

Factors suggesting a higher rate of risk include:

- There is risk associated with the continued ramp up of operations;

- There is risk associated with the significant amount of new supply proposed for Lower Manhattan, which has affected market-wide average daily rate levels and could continue to affect the performance of the subject property and overall market in the near term;

- Any unforeseen events (i.e. supply additions and weak economy) could alter our estimated RevPAR and NOI moving forward.

In the PwC Hotel Investor Survey presented previously, discount rates for luxury/upper-upscale hotels ranged from 6.25 percent to 13.00 percent with an average of 9.55 percent. Based on the aforementioned factors, we believe a discount rate of 8.00 percent is appropriate.

In the PwC Hotel Investor Survey, residual capitalization rates for luxury/upper-upscale hotels ranged from 5.50 percent to 9.50 percent with an average of 7.33 percent. We used a terminal capitalization rate of 6.00 percent considering the location and condition of the subject, outlook of economic conditions, and investor sentiment.

Discounted Cash Flow – As Is as of December 31, 2019

The Beekman, A Thompson Hotel
DCF Analysis

Assumptions	
Discount Rate	8.00%
Residual Cap Rate	6.00%
Cost of Sale	3.0%
Hold Period (Years)	10
Reversion Year +	1

Reversion Calculation (10Y)	
Year 11 CF:	22,679,534
Gross Reversion:	377,992,241
Cost of Sale:	(11,339,767)
Net Reversion:	366,652,473
Stabilized Year:	3

Returns (10Y)	
PV of Cash:	146,131,138
PV of Reversion:	169,831,038
Avg Annual Cash on Cash	6.07%
CF % of Yield:	46.24%
Reversion % of Yield:	53.74%

Analysis Year	Year	Fiscal Year End	Net Cash Flow	Net Reversion	Adjustments	Undiscounted CF	Discount Factor	Discounted CF	% of Yield	Annual Cash on Cash Return
0	2019	12/31/2019			**20,490,708**	20,490,708	1.00000	20,490,708	6.48%	NA
1	2020	12/31/2020	15,171,564	-	-	15,171,564	0.92593	14,047,744	4.45%	4.80%
2	2021	12/31/2021	16,781,260	-	-	16,781,260	0.85734	14,387,226	4.55%	5.31%
3	2022	12/31/2022	17,878,054	-	-	17,878,054	0.79383	14,192,176	4.49%	5.66%
4	2023	12/31/2023	18,442,674	-	-	18,442,674	0.73503	13,555,916	4.29%	5.84%
5	2024	12/31/2024	19,120,549	-	-	19,120,549	0.68058	13,013,124	4.12%	6.05%
6	2025	12/31/2025	19,654,073	-	-	19,654,073	0.63017	12,385,400	3.92%	6.22%
7	2026	12/31/2026	20,270,160	-	-	20,270,160	0.58349	11,827,444	3.74%	6.41%
8	2027	12/31/2027	20,872,691	-	-	20,872,691	0.54027	11,276,865	3.57%	6.61%
9	2028	12/31/2028	21,493,859	-	-	21,493,859	0.50025	10,752,281	3.40%	6.80%
10	2029	12/31/2029	22,025,903	366,652,473	-	388,678,377	0.46319	180,033,293	56.97%	123.00%
Reversion NOI:			22,679,534		Total:	578,853,968		**$316,000,000**	100.00%	
								$1,101,000	Per Room	

The "As Is" value includes the ICAP tax benefit present value of $20,490,708.

		Value, Overall Rate, Value per Room				
		Exit Cap Rate				
		5.50%	5.75%	6.00%	6.25%	6.50%
Discount Rate	7.50%	$343,268,878 4.42% $1,196,059	$334,831,050 4.53% $1,166,659	$327,096,374 4.64% $1,139,709	$319,980,471 4.74% $1,114,915	$313,411,946 4.84% $1,092,028
	7.75%	$337,265,195 4.50% $1,175,140	$329,021,108 4.61% $1,146,415	$321,464,029 4.72% $1,120,084	$314,511,516 4.82% $1,095,859	$308,093,811 4.92% $1,073,498
	8.00%	$331,401,362 4.58% $1,154,709	$323,346,134 4.69% $1,126,642	$315,962,176 4.80% $1,100,914	$309,168,935 4.91% $1,077,244	$302,898,250 5.01% $1,055,395
	8.25%	$325,673,695 4.66% $1,134,752	$317,802,579 4.77% $1,107,326	$310,587,390 4.88% $1,082,186	$303,949,416 4.99% $1,059,057	$297,822,055 5.09% $1,037,708
	8.50%	$320,078,619 4.74% $1,115,257	$312,386,997 4.86% $1,088,456	$305,336,343 4.97% $1,063,890	$298,849,741 5.08% $1,041,288	$292,862,109 5.18% $1,020,425

Conclusion via Income Capitalization Approach

Applying an 8.00 percent discount rate and a 6.00 percent terminal capitalization rate to the subject's projected income stream, the indicated value of the fee simple interest in the subject property, in its as is condition, and subject to the assumptions, limiting conditions, certification and definitions, as of December 31, 2019, is $316,000,000, or approximately $1,101,000 per key.

Direct Capitalization

Direct capitalization is a method used to convert an opinion of a single year's income expectancy into an indication of value. The single year's income is typically designed to reflect a subject property's stabilized level of operation and revenue potential. The conversion into a value indication is accomplished in one direct step by dividing the income by an appropriate capitalization rate.

The following table illustrates overall capitalization rates for the subject property that have been derived based on our opinion of value via the discounted cash flow method. Note that the stabilized year's net income has been deflated to first projection year dollars at the underlying 3.0 percent inflation rate.

Note the implied overall capitalization rates below have been derived from the As Is value conclusions:

Implied Overall Capitalization Rates		
	NOI	*Capitalization Rate*
Year End 2019 - Adjusted	$12,002,909	3.80%
Year One	$15,171,564	4.80%
Stabilized Year	$17,878,054	5.66%
Stabilized Year Deflated to Year One	$16,851,781	5.33%

The Year End 2019 implied capitalization rate appears on the lower range, given that the subject property is a newly opened hotel and is anticipated to continue to ramp up over the next several years.

The stabilized and stabilized deflated implied rates appear to be market-oriented and typical for stabilized hotel operations' rates of return, for a "trophy asset" such as the subject hotel. Given the location, luxury product-type, level of fit & finish and structure, the implied capitalization rates are within a reasonable range.

Conclusion via Income Capitalization Approach

Applying an 8.00 percent discount rate and a 6.00 percent terminal capitalization rate to the subject's projected income stream, the indicated value of the fee simple interest in the subject property, in its as is condition, and subject to the assumptions, limiting conditions, certification and definitions, as of December 31, 2019, is $316,000,000, or approximately $1,101,000 per key.

Sales Comparison Approach

The sales comparison approach is used to estimate the value of real estate by comparing recent sales of similar properties in the surrounding or competing area to the subject property. Inherent in this approach is the principle of substitution. The approach is applicable when an active market provides sufficient quantities of reliable data that can be verified from authoritative sources. The comparative process involves judgment as to the similarity of the subject and the comparable sales.

In the case of hotel properties, comparisons among hotels can be very difficult given the unique characteristics of each property. Hotels represent not only real estate but are also businesses that are often difficult to compare. Hotels can differ by physical characteristics, market orientation, management affiliation, reputation, operating characteristics, locality, and other factors. As such direct comparison of hotel sales is usually considered a secondary approach. Additionally, different investors perceive hotels as valuable for different reasons; for example, they may look for:

1. *An immediate return of cash flow through re-flagging or new management;*
2. *The establishment of a long-term presence in a market where they are under-represented;*
3. *Upscale/Trophy hotel ownership to establish a high profile;*
4. *A perceived bargain relative to cost; and,*
5. *Management fees in addition to cash flow.*

In the case of the subject, the direct sales comparison approach is utilized as a guide to suggest a reasonable range of values of the subject hotel. The value of the subject hotel development is derived primarily from the income capitalization approach.

As noted earlier, growth in the lodging market due to the improving health of the economy has resulted in optimism among hoteliers and industry experts who expect hotel values to remain stable, if not increase, during the next few years. Lending for hotel transactions virtually disappeared from the end of 2008 through 2009 due to the rapid decline in property values. Transactions that were completed were most often completed as all-cash deals or were completed with significantly higher loan-to-value ratios. As the market improved, the lending economics have become more favorable to buyers and hotel sale transactions have reached peak levels on a per room basis.

Methodology

In the Sales Comparison Approach, the value of a hotel is developed by comparing it with similar, recently sold hotel properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value emphasizes the physical elements of the subject in conjunction with income. For hotels, price per room is the most common unit of comparison. We researched and identified sales of hotels throughout Manhattan. In light of today's economic climate, only sales within the last few years were researched to compare the subject property's value to the most appropriate value of similar hotels. The table below summarizes relevant transactions that were reportedly single asset, arms-length sales, unless otherwise indicated.

The table below displays hotel transactions in New York City over the past several years:

New York City Hotel Sales

No.	Property Name	Date	Rooms	Sale Price	Price Per Room	Cap. Rate	Open Date	Union/ Non Union
1	St. Regis New York	Oct-19	238	$310,000,000	$1,302,521	NA	1904	Union
2	Courtyard SoHo	Oct-19	120	$59,700,000	$497,500	NA	2010	Non-Union
3	Kimpton Ink48 Hotel	Sep-19	222	$82,700,000	$372,523	NA	2006	Union
4	The Hotel @ Fifth Avenue	Aug-19	182	$56,520,000	$310,549	NA	1903	Union
5	Club Quarters Midtown	Aug-19	167	$64,530,500	$386,410	NA	1903	Non-Union
6	Broadway @ Times Square	Aug-19	79	$24,000,000	$303,797	NA	1930	Union
7	Dream Downtown*	Jun-19	314	$175,000,000	$557,325	NA	2011	Union
8	Flatiron Hotel	May-19	64	$40,300,000	$629,688	NA	2011	Non-Union
9	SpringHill Suites & Fairfield Inn & Suites	Mar-19	576	$274,300,000	$476,215	NA	2019	Non-Union
10	Parker Hotel New York*	Jan-19	731	$420,000,000	$574,555	3.5%	1981	Union
11	Embassy Suites New York Midtown Manhattan	Jan-19	310	$195,000,000	$629,032	NA	2018	Non-Union
12	Westin New York Grand Central*	Jan-19	774	$302,000,000	$390,181	3.7%	1981	Union
13	Park Central / WestHouse	Nov-18	933	$375,500,000	$402,465	5.4%	1925	Union
14	Gild Hall, A Thompson Hotel	Nov-18	130	$38,750,000	$298,077	5.8%	1999	Union
15	Wingate by Wyndham Manhattan Midtown	Oct-18	92	$44,000,000	$478,261	NA	2006	Non-Union
16	Hotel Indigo Lower East Side	Oct-18	294	$162,500,000	$552,721	NA	2015	Non-Union
17	W Union Square	Sep-18	270	$165,635,985	$613,467	NA	2000	Union
18	Viceroy New York*	Jul-18	240	$41,000,000	$170,833	NA	2013	Union
19	The Plaza Hotel New York	Jul-18	282	$600,000,000	$2,127,660	NA	1907	Union
20	The Quin*	Jun-18	208	$175,000,000	$841,346	NA	2013	Union
21	Riff Downtown Hotel	Jun-18	36	$19,200,000	$533,000	NA	2016	Non-Union
22	Westgate New York City (formerly Hilton Grand Central)	Jun-18	300	$50,000,000	$166,667	NA	N/A	Union
23	W Hotel New York	May-18	697	$190,000,000	$272,597	NA	1926	Union
24	Riff Hotel Chelsea	Apr-18	43	$27,500,000	$639,535	NA	N/A	Non-Union
25	Aloft Harlem	Mar-18	124	$33,800,000	$272,581	NA	2010	Union
26	Hampton Inn Financial District	Mar-18	81	$32,400,000	$400,000	NA	2014	Non-Union
27	Comfort Inn Midtown West	Dec-17	88	$29,168,079	$331,455	NA	2013	Non-Union
28	Royalton Park Avenue Hotel (Gansevoort Park Avenue)	Dec-17	249	$198,500,000	$797,189	NA	2010	Union
29	The James New York	Dec-17	114	$66,300,000	$581,579	NA	2010	Union
30	Smyth Hotel - Tribeca	Nov-17	100	$72,200,000	$722,000	NA	2009	Non-Union
31	Comfort Inn Times Square South	Nov-17	78	$27,200,000	$348,718	NA	2007	Non-Union
32	The Standard High Line	Oct-17	338	$323,000,000	$955,621	NA	2008	Non-Union
33	AKA Sutton Place*	Oct-17	76	$116,500,000	$1,532,895	NA	1923	Union
34	Nyma Hotel	Aug-17	171	$52,000,000	$304,094	NA	2000	Union
35	Royalton Hotel	Aug-17	168	$55,000,000	$327,381	NA	1988	Union
36	DoubleTree by Hilton New York - Times Square South	Aug-17	224	$106,000,000	$473,214	NA	2008	Non-Union
37	Morgans Hotel*	Jul-17	113	$37,000,000	$327,434	NA	N/A	Union
38	Affinia Dumont Hotel	Jun-17	252	$118,000,000	$468,254	NA	N/A	Union
39	Club Quarters Downtown	Jan-17	289	$95,000,000	$328,720	NA	1995	Non-Union

Footnotes*

Sale #	
7	This property represents a leased fee interest
10	Purchased for re-branding and partial residential conversion
12	Purchased for residential conversion
18	This property represents a leasehold interest
20	Purchased by Hilton Grand Vacations for conversion to timeshares
33	CalSTRS purchased 91% stake of property in October 2017
37	Purchased for residential conversion

Source: LW Hospitality Advisors®

Analysis of Comparable Sales

The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable improved sales. These sales were chosen based upon similar segmentation, markets and branding. All sales were considered an arm's-length transaction and required no adjustments for financing terms or conditions of sale. We have indicated and described the following relevant sales in further detail:

- In October 2019, the sale of the ***St. Regis New York*** was announced. The buyer in the transaction was Qatar Investment Authority from Marriott International for approximately $310,000,000, or $1,302,521 per key. Marriott International is anticipated to continue to operate the hotel under a long-term management agreement.

- Ashford Hospitality Trust Inc. purchased its first New York City hotel in January 2019 when the ***Embassy Suites Midtown Manhattan*** was purchased from AIG Global Real Estate. The property sold for $195,000,000, or approximately $629,032 per key. The 310-room property was built in 2018 by Hidrock Properties and the Buccini/Pollin Group. The property is 41 stories and features complimentary breakfast and an evening reception, a lobby bar, fitness center, and business center.

- The ***Gansevoort Park*** hotel was recently sold to Highgate Hotels for approximately $198,500,000, or $797,189 per key for the 249-room hotel. Following the acquisition, the hotel has been renamed as the Royalton Park Avenue. The sellers are a joint venture between the Gansevoort Hotel Group, Centurion Realty, and Douglaston Development.

- In October 2017, Gaw Capital Partners reportedly purchased the 337-room ***Standard Hotel Highline*** for $340,000,000, or approximately $1,009,000 per key. Note that this represents a 15 percent decrease from the asking price set in an uncompleted contract deal in 2014.

- In July 2016, Hyatt Hotels Corporation sold the 184-key ***Andaz Fifth Avenue*** for $240,000,000, or approximately $1,304,348 per key to Takenaka Corporation, one of the largest architecture, engineering and construction companies in Japan. The 184-key hotel is situated one block east of Bryant Park. The acquisition marks Takenaka's entry into the New York City hospitality market, though it owns several other New York assets, as well as hotel properties throughout the world. Hyatt will continue to manage the hotel under its Andaz brand, pursuant to a long-term management agreement with the new owner.

- In March 2016, the recently opened ***11 Howard Hotel*** in Soho was purchased by REIT HausInvest, affiliated with German-based Commerz Real, for $170,000,000, or approximately $769,231 per key, from Soho Hotel Owner, part of RFR Holding USA. This sale transaction was followed by a sale-leaseback arrangement, at which Soho Hotel Owner is now the long-term tenant. The hotel is affiliated with Starwood Hotels and Resorts under its new Design Hotels brand. The 221-key hotel also features leased ground-floor space including Stephen Starr-branded food and beverage, art gallery space, and a retail component. The hotel was built in 1907.

- In April 2015, Abu Dhabi Investment Authority (ADIA) acquired the proposed 273-key ***New York EDITION***, located at 5 Madison Avenue, for a reported $343,000,000, or approximately $1,256,000 per key, from Marriott International, just prior to its opening. This sale transaction represents the third Edition hotel acquisition for ADIA. Originally built in 1909 as the headquarters for The Metropolitan Life Insurance Company, the historic 41-story clock tower is an iconic New York landmark. The upscale hotel commenced operations one month following the sale transaction in May 2015.

- In February 2015, the ***Waldorf=Astoria*** sold for approximately $1,950,000,000, or $1,582,790 per each of the 1,232 keys. Anbang Insurance Group purchased the hotel subject to encumbering management by Hilton. Following the acquisition, the hotel has been closed for a major renovation project that includes converting a number of guestrooms into condominium residences.

The Sales Comparison Approach is difficult to apply in the case of complex hotel properties because of the numerous differences between the subject and comparable sales. Some of the differences between the comparable sales and the subject property can often include location and accessibility, size, services and facilities offered, market conditions, chain affiliation, market orientation, management, rate structure, age, physical condition, date of sale, the highest and best use of the land, and the anticipated profitability of the operation. Circumstances surrounding a sale, including financing terms, tax considerations, income guarantees, sales of partial interests, duress on the part of the buyer or seller, or a particular deal structure, result in disparities between the actual sales price and pure market value. Additionally, it is usually very difficult to obtain the marketing period, and an accurate capitalization rate, for the comparable sales. In practice, it is virtually impossible to quantify the appropriate adjustment factors accurately because of their number and complexity, as well as the difficulty in obtaining specific, detailed information. Any attempt to manipulate the necessary adjustments is insupportable and purely speculative.

Because an appraiser is expected to reflect the analytical processes and actions of typical buyers and sellers rather than to create an insupportable and highly subjective valuation approach, the investment rationale of hotel owners is an essential consideration. As specialists in the valuation of hotels, we find that typical buyers and sellers purchase properties based upon a thorough analysis of anticipated future economic benefits of property ownership rather than on historical sales data. The Sales Comparison Approach should therefore be used to provide a general range of values that will serve as a check against the value indicated by the Income Capitalization Approach.

In appraising lodging facilities, it is often difficult to find an adequate number of recent sales that are truly comparable to the subject property. Although it is often necessary to consider comparable sales outside the subject property's market area, the resulting adjustments greatly diminish the reliability of the conclusions. Most observers of hotel transactions are unable to determine the true motivations of the buyers and sellers. Acquiring a hotel often represents a highly ego-driven process where many external, non-market factors influence the purchase price. Unless the appraiser can quantify these influences, there is no way of knowing whether the purchase price paid actually reflects market value.

Finally, when appraising hotels, the degree of comparability between the subject property and a comparable sale is usually so diverse that many subjective and unsubstantiated adjustments are required. Each adjustment represents a potential for error and thereby diminishes the reliability of this approach. As a result of these shortcomings, the use of the Sales Comparison Approach in valuing hotels is primarily limited to checking the value indicated by the Income Capitalization Approach.

Conclusion via Sales Comparison Approach

Based on the array of data presented and considering the subject property's construction, size, and location of the subject property, as well as the Income Capitalization Approach conclusion of $316,000,000, or approximately $1,101,000, LWHA® projects that the as is value via Sales Comparison Approach ranges from approximately $1,046,000 - $1,156,000 per key, for a total consideration ranging from $300,200,000 - $331,800,000.

Insurable Value

As part of the client's requested scope of work, an estimate of insurable value has been provided in this section. Insurable value does not include land value, entrepreneurial profit, depreciation of furniture, fixtures, and equipment or building contents. The following table presents the calculation of the subject property's estimated insurable value.

Actual Construction Costs				
Comparable:	**1**	**2**	**3**	**Average**
No. of Rooms	452	168	135	252
Size (SF)	293,069	111,711	51,000	151,927
Cost Component				
Direct Construction Costs	$168,913,399	$41,684,450	$18,028,661	$76,208,837
Indirect Costs	$90,885,531	$40,755,390	$9,395,564	$47,012,162
Total Costs	$259,798,930	$82,439,840	$27,424,225	$123,220,998
Cost Per Guestroom	$574,776	$490,713	$203,142	$422,877
Cost Per SF	$886	$738	$538	$721
FF&E Costs	$20,340,000	$7,791,121	$2,338,865	$10,156,662
Cost Per Guestroom	$45,000	$46,376	$17,325	$36,234
Compiled by LW Hospitality Advisors®				

Insurable Value Analysis		
	Range PSF	**Average**
Cost Comparables	$538 - $886	$721
Subject Estimate		$700
Compiled by LW Hospitality Advisors®		

The base building cost of the subject hotel is $138,420,720, or approximately $482,000 per key. Insurable exclusions, calculated at 10.0% of total building costs, have been deducted from the total building cost to estimate the insurable value of the property.

Insurable Value Conclusion	
Base Building Cost	$138,420,720
Less: Insurable Value Exclusions @ 10%	($13,842,072)
Add: Indicated FF&E Replacement Cost	$12,915,000
Insurable Value Indication	$137,493,648
Rounded	$137,500,000
Value Per Room	$479,000
Compiled by LW Hospitality Advisors®	

Based on the preceding definition and the calculation presented in the table above, the insurable value of the subject hotel is **$137,500,000**, or approximately **$479,000 per key.**

This analysis should not be relied upon to determine proper insurance coverage as only consultants considered experts in cost estimation and insurance underwriting are qualified to provide an insurable value. It is provided to aid the client and users as part of their overall decision making process and no representations or warranties are made by LWHA® regarding the accuracy of this estimate. It is strongly recommended that other sources be utilized to develop any estimate of insurable value.

Reconciliation

We considered the Income Capitalization and Sales Comparison approaches to value. The results are as follows:

Income Capitalization Approach	
As Is	$316,000,000, or $1,101,000 per key
Including ICAP Benefits	*$24,840,150, or $86,551 per key*
Sales Comparison Approach	
As Is	$300,200,000 - $331,800,000, or $1,046,000 - $1,156,000 per key

In our valuation of the subject property, we relied primarily on the Income Capitalization Approach to value utilizing a discounted cash flow method. The Sales Comparison Approach was applied and is considered to provide reasonable support to the conclusion of the Income Capitalization Approach.

In our Income Capitalization Approach to value, the subject property has been valued by analyzing the local market for transient accommodations and developing a projection of income and expense that reflects the current and future anticipated income and expense trends over a ten-year holding period. The net income is then capitalized and discounted to the date of value by an appropriate internal rate of return through a discounted cash flow analysis. Implied direct capitalization rates were also illustrated.

The Sales Comparison Approach reflects an opinion of value as indicated by the actual sales of hotels. In this approach, we searched the regional and national market for transactions of similar property types. Several sales of major hotels were examined, and this approach was useful in providing value parameters to bracket the value concluded to by the Income Capitalization Approach.

The Cost Approach estimates market value by computing the cost of replacing the property and subtracting any depreciation resulting from physical deterioration, functional obsolescence, and external (or economic) obsolescence. The value of the land, as if vacant and available, is then added to the depreciated value of the improvements for a total value estimate. The Cost Approach is most reliable for estimating the value of new properties; however, as the improvements deteriorate and market conditions change, the resultant loss in value becomes increasingly difficult to quantify accurately. Moreover, our experience with hotel investors shows that this group of buyers and sellers relies upon the methods of the income approach (as well as a review of sales data) when making decisions; the cost approach generally does not play a significant role. Considering such factors, we do not consider the Cost Approach to be appropriate for the valuation of the subject property.

Careful consideration has been given to the strengths and weaknesses of the three approaches to value discussed above. In recognition of the purpose of this appraisal, we have given primary weight to the value indicated by the Income Capitalization Approach and utilized the Sales Comparison Approach as a check for reasonableness.

As Is Market Value

As a result of our analysis, we are of the opinion that the market value of the fee simple interest of the subject hotel property, in its as is condition and subject to the assumptions and limiting conditions, certification and definitions, and extraordinary assumptions and hypothetical conditions, if any, as of December 31, 2019, is:

THREE HUNDRED SIXTEEN MILLION DOLLARS
$316,000,000 or $1,101,000 per room

Allocation of Market Value As Is		
Real Property	$306,313,750	97%
Personal Property	$9,686,250	3%
Business Value	$0	0%
Total	**$316,000,000**	**100%**

The "As Is" value includes the ICAP tax benefit present value of $20,490,708.

The opinion(s) of value include the land, the improvements and the contributory value of the furniture, fixtures and equipment. The appraisers assume that the hotel will remain open and operational. The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to the future behavior of consumers and the general economy, which are highly uncertain. However, it is inevitable that some assumptions will not materialize and unanticipated events may occur that will cause actual achieved operating results to differ from the financial analyses contained in this report and these differences may be material. Therefore, while our analysis was conscientiously prepared based on our experience and the data available, we make no warranty that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results may depend.

We did not ascertain the legal, engineering, and regulatory requirements applicable to the property, including zoning and other state and local government regulations, permits and licenses. No effort has been made to determine the possible impact on the property of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof. With respect to the market demand analysis, our work did not include analysis of the potential impact of any significant rise or decline in local or general economic conditions.

We believe, based on the assumptions employed in our cash flow, as well as our selection of investment parameters for the subject, that the value conclusion represents a market price achievable within 6 to 12 months exposure prior to the date of value.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the last day of our fieldwork, January 28, 2020.

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions.

Extraordinary Assumptions

Extraordinary Assumptions are assumptions which if found to be false could alter the resulting opinion or conclusion.

This report assumes that the subject property will continue to lease out food and beverage outlets to Keith McNally and Tom Colicchio (Craft Restaurants) on the ground floor of the building. According to information provided by property ownership, Craft Restaurants operates all food and beverage operations for the hotel, including Temple Court Restaurant, The Bar Room, The Alley Cat bar and lounge, room service and catering, with the exception of Keith McNally's leased space (operated as Augustine). Accordingly, we have compiled our projections assuming a leased food & beverage operation throughout the projection period.

The food and beverage lease agreement with Keith McNally stipulates the tenant's pro-rata share of property taxes. According to the abstract, and confirmed by property ownership, the tenant is assumed to pay its pro-rata share of property taxes throughout the term of the lease. There is a minimum of $10,000 per annum, but no threshold during the initial four lease years; however, commencing with the fifth lease year, the tenant's pro-rata share is limited to $20,000, increasing to $30,000 in lease years six through eight, followed by $40,000 in lease year nine, and increasing by 3.0 percent each year thereafter. This appraisal assumes such thresholds to be correct.

This report assumes that the subject property is encumbered by the management agreement with Thompson Hotels, LLC. For this appraisal, we did not receive the management agreement; however, we did receive and relied on the abstract. The in-place management agreement stipulates a base management fee of 3.0 percent of total hotel gross revenues, as well as 1.0 percent of gross revenues in respect of food and beverage operations, or in such case, the projected rental income. The management agreement also stipulates an additional 0.5 percent of gross revenues in respect of food and beverage operations such that the third-party operated food and beverage outlets have reached budget; however, given the uncertainty of budget figures, this appraisal does not incorporate the additional fee. The sales and marketing fee stipulated in the management agreement has been incorporated in our projection of sales and marketing expenses.

For purposes of calculating the incentive management fee, this appraisal assumes that the Owner's Invested Capital is $170,000,000 throughout the projection period; this figure was provided by ownership and has been assumed to be correct despite the discrepancy with the provided cost budget.

This appraisal assumes that the subject property will continue to benefit from the ICAP tax abatement program, in line with the terms provided by ownership. The tax benefit is further explained in the tax section of this appraisal report. If the term differs from what was provided, it may impact our analysis and as such we reserve the right to amend our conclusions.

The subject property includes the daily destination fee of $30.00 per night which commenced in mid-2019, which includes unlimited phone calls, unlimited wireless Internet access in public spaces and guestrooms, use of fitness center, complimentary coffee and tea, complimentary water bottles in guestrooms, complimentary newspaper, complimentary car service, priority reservations to food and beverage outlets at the subject property, priority entry and waived service fees to 9/11 Memorial Museum, and bike rentals. Based on our conversation with property management and considering the fees charged by comparable hotels, we have projected the daily destination fee to increase in the first

projection year. For the purpose our analysis, we have increased the daily destination fee to $35.00 in the first projection year, and by 3.0 percent thereafter. In addition, we estimate capture will be approximately 75.0 percent of total occupied rooms, which is generally in line with the transient segmentation. We believe these projections to be reasonable based on the hotel's current capture rate as well as considering the fees charged by comparable hotels. We believe capture rate below 100 percent is reasonable due to typical agreements with corporate accounts and groups, which typically entail waiving of the destination fees.

According to property ownership, the subject property incurs Common Area Charges (CAM) related to operating the residential condominium units. For the purpose our appraisal, we assume the CAM charges to be in-place for the remainder of the projection period.

According to property ownership, the subject property's reserve for replacement has been reduced from 4.0 percent of total revenues to 3.0 percent of total revenues. Although requested, we were not provided with the updated management agreement. For the purpose of our appraisal, we assume the information provided to be accurate and have projected accordingly.

If any of the above extraordinary assumptions are not correct or additional comprehensive data is provided, there may have had an impact on our concluded opinion(s) of value. We reserve the right to amend our opinion(s) of value upon receipt of any additional information.

Hypothetical Conditions

Hypothetical Conditions are assumptions made contrary to fact, but which are assumed for the purpose of discussion, analysis, or formulation of opinions.

This appraisal employs no hypothetical conditions.

Marketing Period

The preceding opinion of market value is based upon a forecast marketing period of approximately 6 to 12 months, which we believe (through conversations with area hotel/motel investment brokers) to be reasonably representative for the properties such as the subject at this time.

Personal Property Allocation

Included in the above estimate of market value is the contributing value of the personal property at the subject property, or the furnishings, fixtures and equipment (FF&E). FF&E is generally considered to be part of the hotel property and is typically sold with the building. It is therefore considered to be a part of the property's total value. FF&E includes the hotel's guest room and public area furnishings, kitchen equipment, service/maintenance equipment and other machinery.

Based on our review of the subject, we conclude that the value of the FF&E as new is approximately $45,000 per unit, for a total replacement cost of $12,915,000. Although hotel FF&E typically have a useful life of five to ten years, depreciation of these assets occurs at a much faster rate than straight-line and depreciate to some degree immediately upon being placed into service.

The property is in excellent condition, given its recent gut-renovation and redevelopment of the asset. We conclude that the contributory value of the subject's FF&E would be approximately 75 percent of cost. Therefore, the contributory value of the FF&E is estimated to be $9,686,250.

Business Value (Going Concern)

Hotels are undisputedly a combination of business and real estate; the day-to-day operation of a hotel represents a business over and above the real estate value. Numerous theories have been developed in an attempt to isolate the business component of a hotel. When hotels were routinely leased to hotel operators, separating the income and value attributable to each component was a simple matter. However, during the 1970s, the hotel property lease was replaced with the hotel management contract.

It is widely accepted today that managing agents are hired by hotel owners to operate a property in return for a management fee. The fee is paid to the operator as an operating expense, and what remains is net income available to pay debt service and generate a return on the owner's equity. Purchasers of hotels as real estate investments are able to passively own the property by employing a managing agent, as was the case with the property lease in earlier years.

The real and personal property components of the subject property have already been valued in this appraisal and any business component has been accounted for through the deduction of market rate management fees. By making these deductions, we believe that there is no business value included in our conclusion of market value.

Certification of the Appraisal

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
3. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
4. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
5. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
6. We have performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
7. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
8. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
9. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
10. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
11. Danny Kim made a personal inspection of the property that is the subject of this report. Evan Weiss, MRICS and Jonathan Jaeger, MAI have inspected the subject property in conjunction with a previous assignment.
12. The real property appraisal assistance of Danny Kim and Michelle LaRocca are hereby recognized. Danny Kim and Michelle LaRocca assisted in the market analysis, forecasting, valuation analysis, and report writing components of this report. No one else provided significant real property appraisal assistance to the person(s) signing this certification.
13. As of the date of this report, Evan Weiss, MRICS and Jonathan Jaeger, MAI have completed the Standards and Ethics Education Requirements for the Code of Professional Ethics of the Appraisal Institute.
14. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
15. As of the date of this report, Jonathan Jaeger, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Evan Weiss, MRICS
Chief Operating Officer, Principal
New York Certified General Appraiser
License No. 46000049985



Jonathan Jaeger, MAI
Senior Managing Director
New York Certified General Appraiser
License No. 46000050939

Addendum

Danny Kim

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EDUCATION

- New York University, The Preston Robert Tisch Center for Hospitality, Tourism, and Sports Management
    - Bachelor of Science, Hotel and Tourism Management, 2008

MEMBERSHIPS & ASSOCIATIONS

- NYU Tisch Center Alumni Society
- NYU Hospitality Business Society

EMPLOYMENT EXPERIENCE

•	2015-present	**LW Hospitality Advisors®** Senior Associate	New York, NY
•	2011-2015	**Union Square Hospitality Group** **Shake Shack Enterprises** Assistant Controller	New York, NY
•	2007-2011	**Marriott International, Inc.** Regional Assistant Director of Finance	New York, NY
•	2006	**Millenium Hilton** Human Resources and Accounting	New York, NY
•	2006	**Ritz-Carlton Marina del Rey** Human Resources	Los Angeles, CA

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Senior Vice President

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EDUCATION

- New York University, Preston Robert Tisch Center for Hospitality Tourism & Sports Management
  - Bachelor of Science, Hotel and Tourism Management, 2008
  - Recipient of Ricelle Bunny Grossinger Award for leadership

LICENSES & MEMBERSHIPS

- New York Real Estate Salespersons License
- NYU Adjunct Faculty Member, 2015
- NYU Tisch Center Alumni Society
  - Board Member, 2012-2015

EMPLOYMENT EXPERIENCE

• 2011 - Present	LW Hospitality Advisors LLC *Senior Vice President*	New York, NY
• 2008 - 2011	Deutsche Bank, AG Leveraged & Structured Finance group *Associate*	New York, NY
• 2007 - 2008	Branded Concept Development Restaurant development *Assistant Project Manager*	New York, NY
• 2007	Ozone Strategic Marketing Consulting & revenue management *Junior Analyst*	New York, NY
• 2006	State of the Art Enterprises Event planning & consultation *Assistant Office Manager*	New York, NY

Jonathan Jaeger, MAI

Senior Managing Director

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Jonathan Jaeger currently serves as a Senior Managing Director with LW Hospitality Advisors, based in New York City. During his tenure at LWHA, Mr. Jaeger has been responsible for the management and execution of over 1,000 lodging/gaming consulting and valuation assignments throughout the United States, Canada, Mexico, and the Caribbean on an annual basis. From February of 2014 through August of 2019, Jonathan was a Managing Director with the firm. Prior to joining LWHA, Mr. Jaeger had been with Pinnacle Advisory Group from January of 2008 through January of 2014. He began as a Consultant in the Boston office and was promoted to Vice President and head of the New York Practice.

Prior to his advisory career, Mr. Jaeger held various hospitality operational and accounting/finance positions with Starwood Hotels & Resorts and Kimpton Hotels & Resorts. He graduated with a Bachelor of Science from the Boston University School of Hospitality Administration in addition to a minor in Business Administration from the Boston University Questrom School of Business.

Beginning in the spring of 2011, Mr. Jaeger joined the adjunct faculty at Boston University, serving as co-instructor of the Hotel Asset Management course. Mr. Jaeger currently teaches a class in the Master of Management in Hospitality (MMH) Program. In addition to teaching a course at Boston University, Mr. Jaeger has written several articles for industry wide publications; topics included the Manhattan Lodging Market, Highest and Best Use Analyses, E-Commerce in the Hotel Industry, Texas Energy Lodging Markets, among others. In New York City, Jonathan is a member of YHIP, the Young Hospitality Investment Professionals Group and also previously participated with the NYC & Company Hotel Committee. Mr. Jaeger is also a member of the Metro NY Chapter of the Appraisal Institute. Beginning in the Fall of 2014, Mr. Jaeger joined the Adjunct Faculty at New York University; teaching the Lodging Development course in addition to others in the Jonathan M. Tisch Center of Hospitality.

Mr. Jaeger is a State Certified Real Estate Appraiser specializing exclusively in the evaluation of hotel, resort, and gaming properties. Mr. Jaeger is a designated member of the Appraisal Institute (MAI); he achieved this designation in June of 2013. In addition, Mr. Jaeger is a member of the International Society of Hospitality Consultants (ISHC) as well as a Recreational/Developmental Coach for the United States Professional Tennis Association (USPTA).

EDUCATION

- Boston University, School of Hospitality Administration
  - Bachelor of Science, Hospitality Administration, Business Administration
  - Accounting/Finance Teaching Assistant

- Appraisal Institute Qualifying and Continuing Education
  - Various qualifying and continuing education courses beginning in 2008

EMPLOYMENT EXPERIENCE

•	2019 - Present	LW Hospitality Advisors® Senior Managing Director	New York, NY
•	2014 - 2019	LW Hospitality Advisors® Managing Director	New York, NY
•	2012 - 2014	Pinnacle Advisory Group Vice President	New York, NY
•	2008 - 2012	Pinnacle Advisory Group Consultant	Boston, MA
•	2007	Starwood Hotels and Resorts Accounting, Sheraton Hotels of New York & W Times Square	New York, NY
•	2006	Starwood Hotels and Resorts Rooms, Boston Park Plaza Hotel and Towers	Boston, MA
•	2005	Kimpton Hotels & Restaurants Intern, Hotel Marlowe & The Onyx Hotel	Boston, MA

AFFILIATIONS & DESIGNATIONS

- The Appraisal Institute
  - Designated Member – MAI

- International Society of Hospitality Consultants (ISHC)
  - Associate Member

- Certified General Real Estate Appraiser

- United States Professional Tennis Association (USPTA)
  - Developmental Coach

- Adjunct Professor – Boston University School of Hospitality Administration
  - Hotel Asset Management
  - Hotel Ownership Strategies

- Adjunct Professor – New York University
  - Lodging Development
  - Hotel Planning, Design, Construction, and Development

PROFESSIONAL SPEAKING ENGAGEMENTS

- The Appraisal Institute
  - Special Use Properties - Seminar Instructor

- The Appraisal Institute – 2015 AI Connect Conference in Dallas
  - Valuation of Seniors Housing and Hospitality Properties – Seminar Instructor

- New Jersey Gold Coast Investment Summit
  - Hotel Panel

- Professional Women in Construction (PWC)
  - Hospitality Forum

- Travel and Tourism Research Association
  - Marketing Outlook Forum - Hospitality

- iGlobal Forum – Global Hospitality & Lodging Investment Summit

- Evercore ISI 2015 Investor Day – Boston

- State of the US Lodging Industry
  - Presented to various lending institutions including US Bank, Deutsche Bank, East West Bank, MetLife, Natixis, Blackstone, and Morgan Stanley

PUBLISHED ARTICLES

- Manhattan Lodging Market: Why ADR Growth is Lagging Behind the U.S. Average
- Highest and Best Use Analysis – Enhancing Hotel Value
- The Impact of E-Commerce and Social Networking on the Hotel Industry
- Hotel Rush! Texas Energy Lodging Markets
- U.S. Lodging Industry Update
- The Evolution of Dual-Branded Hotels: How the Marriott/Starwood Acquisition Enhances Opportunities for Developers
- Boom to Bust; Eagle Ford Shale Lodging Markets Update

OTHER PUBLICATIONS

- Hospitality Management Learning Modules
- “Comprehending and Analyzing F&B Financial Statements”
- “Hotel F&B Profitability Analysis and Cost Management”

AWARDS AND ACHIEVEMENTS

- Hotel Management – Thirty Under 30
- ISHC Lori Raleigh Award for Emerging Excellence in Hospitality Consulting
- Boston University Young Alumni of the Year Award

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Mr. Weiss engages in the procurement and management of appraisals and consultation of lodging properties throughout the United States. Assignments include full and partial interest appraisals and market studies of full service, limited service, extended stay, luxury, and mid-scale hotel facilities. Mr. Weiss has participated in the evaluation of over $6 billion in hotel real estate assets.

Mr. Weiss serves as Executive Managing Director, Principal of LW Hospitality Advisors. He was previously an associate at CBRE Hotels - Hospitality & Gaming Valuation Advisory Services Group, where he was awarded Silver and Gold production awards during each year of his tenure. He also received the Valuation Services Professional of the Year Award for the Tri-State region in 2007. Prior to joining CBRE, Mr. Weiss held the executive position of Director of Operations for CARINO Hotels & Resorts in New York, a sales and marketing firm representing 75 luxury hotels throughout the globe. Mr. Weiss was the first official hire for this firm and grew the entity by recruiting twenty professionals around the world.

Mr. Weiss's operational experience includes serving as General Manager at City Food Bar Inc., where he led corporate management and operational efforts at the restaurant ownership and management firm as well as worked with the Founder and President to build and expand the business. He holds a Bachelor of Science degree in Hotel and Tourism Management from New York University Preston Robert Tisch Center for Hospitality, Tourism and Sports Management. Following successful terms as Board Member and Vice President, Mr. Weiss served as President of the NYU Tisch Center Alumni Society, as well as a member of the Tisch Center's Advisory Board. While attending NYU's Tisch Center, Mr. Weiss was twice honored with the President's Service Award for Leadership and Community Service. He also served on the search committee for the Divisional Dean of the Tisch Center. In the upcoming Fall 2014 academic semester, Mr. Weiss will act as an adjunct professor of the Lodging Development course offered through the Tisch Center's Hotel and Tourism Management major. Mr. Weiss currently serves as a member of the REX Gala and REX Premiere committees of the UJA - Federation of New York, and is a member of the AIPAC Washington Club.

EDUCATION

- New York University, Preston Robert Tisch Center for Hospitality Tourism & Sports Management
    - Bachelor of Science, Hotel and Tourism Management, 2003
- New York University Real Estate Institute
    - Introduction to Real Estate Appraisal (R1)
    - Valuation Principles and Procedures (R2)
    - Introduction to Property Valuation (G1)
    - Principles of Income Property Appraising (G2)
    - Applied Income Property Valuation (G3)
    - AQ-1 Appraiser Qualification
    - 15-Hour National USPAP Course

LICENSES & MEMBERSHIPS

- New York State Certified General Real Estate Appraiser – License #46000049985
- Appraisal Institute, Candidate for Designation #559654
- Royal Institution of Chartered Surveyors, Professional Member #6197437
- UJA Hospitality, Chair
- AIPAC Hospitality Committee, Inaugural Chair
- Israel and Advisory Board Member, IHIS 2019

EMPLOYMENT EXPERIENCE

- 2014-present — New York University, SPS — New York, NY
  Preston Robert Tisch Center for Hospitality and Tourism
  Adjunct Professor – Lodging Development

- 2011-present — LW Hospitality Advisors LLC — New York, NY
  Executive Managing Director, Principal

- 2006-2010 — CB Richard Ellis, Inc. — New York, NY
  Valuation & Advisory Services – Hospitality & Gaming Group
  Real Estate Analyst/Appraiser

- 2001-2006 — CARINO Collection — New York, NY
  Director, Membership Services

- 1999-2003 — City Food Bar, Inc. — New York, NY
  General Manager

PROFESSIONAL SPEAKING ENGAGEMENTS

- EisnerAmper Real Estate Principals Reception
    - Moderator

- NYU Fall 2016 Business Development III Barracuda Tank
    - Guest “Barracuda”
- NYU Spring 2017 Business Development III Barracuda Tank
    - Guest “Barracuda”
- Israel Hotel Investment Summit 2018
    - Panelist
- NYU 2018 Hospitality Investment Conference
    - Moderator
- Bank of America Merrill Lynch 2019 Gaming & Lodging Conference
    - Moderator
- Israel Hotel Investment Summit 2019
    - Speaker
- REFA - Hotels: What Works & Why
    - Moderator
- NYU Fall 2019 Business Development III Barracuda Tank
    - Guest “Barracuda”

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EFFECTIVE DATE
MO. 02 | DAY 18 | YR. 18

EXPIRATION DATE
MO. 02 | DAY 17 | YR. 20

JAEGER JONATHAN
C/O LW HOSPITALITY ADVISORS
200 W 41ST STREET
SUITE 805
NEW YORK, NY 10036

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

UNIQUE ID NUMBER

46000049985

State of New York
Department of State

DIVISION OF LICENSING SERVICES

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EFFECTIVE DATE

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01	10	19

EXPIRATION DATE

MO.	DAY	YR.
01	09	21

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS,

WEISS EVAN
C/O LW HOSPITALITY ADVISORS LL
200 W 41ST STREET
SUITE 805
NEW YORK, NY 10036

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

STR # 63754 / Created January 17, 2020

Monthly STAR Report : Thompson Hotels The Beekman Hotel

For the Month of: December 2019

Currency: US Dollar / Competitive Set Data Excludes Subject Property

Table Of Contents	1	Segmentation RevPAR Analysis - 2nd Comp	29
Monthly Performance at a Glance	2	Segmentation Index Analysis - 2nd Comp	30
STAR Summary	3	Segmentation Ranking Analysis - 2nd Comp	31
Competitive Set Report	4	Segmentation Day Of Week - Current Month - 2nd Comp	32
Response Report	5	Segmentation Day Of Week - Year to Date - 2nd Comp	33
Day of Week & Weekday/Weekend	6	Segmentation Day Of Week - Running 3 Month - 2nd Comp	34
Daily Data for the Month	7	Segmentation Day Of Week - Running 12 Month - 2nd Comp	35
Segmentation at a Glance	8	Additional Revenue RevPAR Analysis (TrevPAR) - 2nd Comp	36
Segmentation Occupancy Analysis	9	Segmentation Response Report - 2nd Comp	37
Segmentation ADR Analysis	10	Monthly Performance at a Glance - 3rd Comp	38
Segmentation RevPAR Analysis	11	STAR Summary - 3rd Comp	39
Segmentation Index Analysis	12	Competitive Set Report - 3rd Comp	40
Segmentation Ranking Analysis	13	Response Report - 3rd Comp	41
Segmentation Day Of Week - Current Month	14	Day of Week & Weekday/Weekend - 3rd Comp	42
Segmentation Day Of Week - Year to Date	15	Daily Data for the Month - 3rd Comp	43
Segmentation Day Of Week - Running 3 Month	16	Segmentation at a Glance - 3rd Comp	44
Segmentation Day Of Week - Running 12 Month	17	Segmentation Occupancy Analysis - 3rd Comp	45
Additional Revenue RevPAR Analysis (TrevPAR)	18	Segmentation ADR Analysis - 3rd Comp	46
Segmentation Response Report	19	Segmentation RevPAR Analysis - 3rd Comp	47
Monthly Performance at a Glance - 2nd Comp	20	Segmentation Index Analysis - 3rd Comp	48
STAR Summary - 2nd Comp	21	Segmentation Ranking Analysis - 3rd Comp	49
Competitive Set Report - 2nd Comp	22	Segmentation Day Of Week - Current Month - 3rd Comp	50
Response Report - 2nd Comp	23	Segmentation Day Of Week - Year to Date - 3rd Comp	51
Day of Week & Weekday/Weekend - 2nd Comp	24	Segmentation Day Of Week - Running 3 Month - 3rd Comp	52
Daily Data for the Month - 2nd Comp	25	Segmentation Day Of Week - Running 12 Month - 3rd Comp	53
Segmentation at a Glance - 2nd Comp	26	Additional Revenue RevPAR Analysis (TrevPAR) - 3rd Comp	54
Segmentation Occupancy Analysis - 2nd Comp	27	Segmentation Response Report - 3rd Comp	55
Segmentation ADR Analysis - 2nd Comp	28	Help	56

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Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

December 2019

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	78.7	81.1	97.0	441.43	333.40	132.4	347.31	270.49	128.4
Year To Date	79.3	76.6	103.5	367.16	299.09	122.8	291.28	229.17	127.1
December LYTD	78.7	81.1	97.0	441.43	333.40	132.4	347.31	270.49	128.4
Running 3 Month	83.9	81.1	103.5	418.52	336.38	124.4	351.12	272.73	128.7
Running 12 Month	79.3	76.6	103.5	367.16	299.09	122.8	291.28	229.17	127.1

December 2019 vs. 2018 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-5.4	-0.4	-5.1	8.8	2.5	6.1	2.9	2.2	0.7
Year To Date	2.5	0.9	1.6	-3.1	-4.5	1.5	-0.6	-3.7	3.2
December LYTD	-5.4	-0.4	-5.1	8.8	2.5	6.1	2.9	2.2	0.7
Running 3 Month	-1.0	-1.4	0.4	-1.4	-2.6	1.2	-2.4	-3.9	1.6
Running 12 Month	2.5	0.9	1.6	-3.1	-4.5	1.5	-0.6	-3.7	3.2

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Tab 3 - STAR Summary - My Property vs. Comp Set and Industry Segments

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Occupancy (%) / Supply

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	78.7	-5.4	79.3	2.5	83.9	-1.0	79.3	2.5	0.7	3.9	0.7	3.9
Market: New York, NY	88.5	1.2	86.2	-1.1	88.7	-0.4	86.2	-1.1	4.5	3.8	4.3	3.8
Market Class: Luxury Class	85.0	3.1	79.6	-2.3	84.5	0.3	79.6	-2.3	3.0	2.7	3.0	2.7
Submarket: Financial District, NY	86.6	0.3	84.1	-0.1	87.4	2.2	84.1	-0.1	1.8	8.0	2.4	8.0
Submarket Scale: Upscale Chains	86.2	-1.3	83.2	-1.8	87.3	1.1	83.2	-1.8	0.0	3.0	0.0	3.0
Competitive Set: Competitors	81.1	-0.4	76.6	0.9	81.1	-1.4	76.6	0.9	0.0	0.0	0.0	0.0

Average Daily Rate / Demand

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	441.43	8.8	367.16	-3.1	418.52	-1.4	367.16	-3.1	-4.8	6.6	-0.3	6.6
Market: New York, NY	303.24	0.0	255.16	-2.4	289.80	-3.7	255.16	-2.4	5.8	2.6	3.8	2.6
Market Class: Luxury Class	579.32	-1.2	478.00	-1.3	549.62	-3.6	478.00	-1.3	6.2	0.4	3.2	0.4
Submarket: Financial District, NY	285.06	3.1	256.93	-4.0	285.80	-3.2	256.93	-4.0	2.1	7.8	4.6	7.8
Submarket Scale: Upscale Chains	300.54	3.2	275.69	-2.7	303.95	-2.8	275.69	-2.7	-1.3	1.2	1.1	1.2
Competitive Set: Competitors	333.40	2.5	299.09	-4.5	336.38	-2.6	299.09	-4.5	-0.4	0.9	-1.4	0.9

RevPAR / Revenue

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	347.31	2.9	291.28	-0.6	351.12	-2.4	291.28	-0.6	3.6	3.3	-1.7	3.3
Market: New York, NY	268.39	1.2	220.06	-3.5	256.92	-4.1	220.06	-3.5	5.8	0.2	0.0	0.2
Market Class: Luxury Class	492.45	1.9	380.46	-3.6	464.61	-3.4	380.46	-3.6	4.9	-0.9	-0.5	-0.9
Submarket: Financial District, NY	246.83	3.4	216.18	-4.1	249.78	-1.0	216.18	-4.1	5.3	3.6	1.3	3.6
Submarket Scale: Upscale Chains	258.96	1.8	229.42	-4.4	265.50	-1.8	229.42	-4.4	1.8	-1.5	-1.8	-1.5
Competitive Set: Competitors	270.49	2.2	229.17	-3.7	272.73	-3.9	229.17	-3.7	2.2	-3.7	-3.9	-3.7

Census/Sample - Properties & Rooms / Pipeline

	Census		Sample		Sample %	Market: New York, NY			
						Under Construction		Planning	
	Properties	Rooms	Properties	Rooms	Rooms	Properties	Rooms	Properties	Rooms
Market: New York, NY	703	127732	503	111080	87.0	86	12933	51	8309
Market Class: Luxury Class	62	15968	60	15781	98.8				
Submarket: Financial District, NY	39	8427	31	7254	86.1				
Submarket Scale: Upscale Chains	20	5497	18	5022	91.4				
Competitive Set: Competitors	5	982	5	982	100.0				

See Help page for pipeline definitions.

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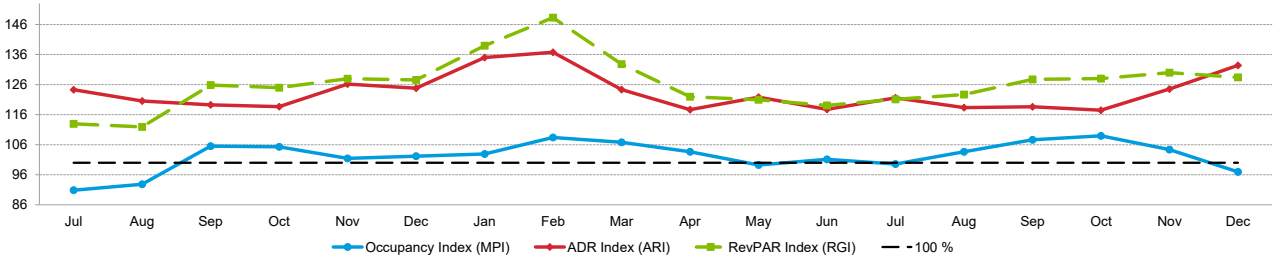
Tab 4 - Competitive Set Report

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

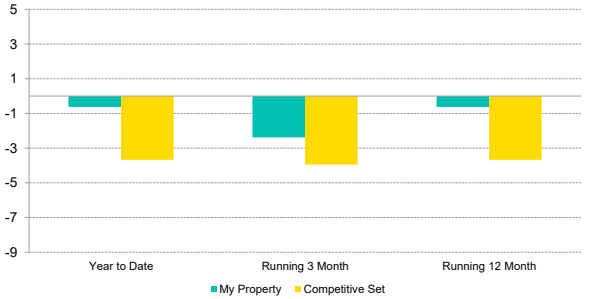
STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Monthly Indexes



RevPAR Percent Change



Occupancy (%)	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	68.0	71.8	82.6	90.3	80.5	83.2	60.6	73.7	80.2	82.5	80.4	81.5	75.7	80.4	85.3	90.7	82.3	78.7	73.3	77.4	79.3	81.4	84.7	83.9	73.3	77.4	79.3
Competitive Set	74.9	77.3	78.3	85.7	79.4	81.4	58.9	68.0	75.0	79.5	81.0	80.5	76.1	77.6	79.3	83.2	78.8	81.1	83.5	75.9	76.6	87.1	82.2	81.1	83.5	75.9	76.6
Index (MPI)	90.9	92.9	105.5	105.3	101.4	102.2	102.9	108.4	106.8	103.7	99.3	101.1	99.6	103.7	107.7	109.0	104.4	97.0	87.9	101.9	103.5	93.4	103.0	103.5	87.9	101.9	103.5
Rank	4 of 6	4 of 6	3 of 6	2 of 6	4 of 6	4 of 6	4 of 6	3 of 6	3 of 6	2 of 6	3 of 6	3 of 6	4 of 6	4 of 6	4 of 6	2 of 6	4 of 6	4 of 6	6 of 6	4 of 6	3 of 6	6 of 6	4 of 6	4 of 6	6 of 6	4 of 6	3 of 6
% Chg																											
My Property	5.6	5.0	4.5	6.4	0.1	5.3	9.2	8.2	7.6	0.4	-4.7	-2.5	11.3	12.0	3.3	0.5	2.2	-5.4	2.6	5.5	2.5	10.6	4.1	-1.0	2.6	5.5	2.5
Competitive Set	-14.6	-10.6	-9.5	-3.9	-8.0	-5.0	-12.6	-4.3	-0.9	19.5	7.0	4.3	1.6	0.3	1.3	-2.9	-0.7	-0.4	4.5	-9.0	0.9	2.9	-5.6	-1.4	4.5	-9.0	0.9
Index (MPI)	23.7	17.4	15.4	10.8	8.9	10.9	25.0	13.0	8.6	-16.0	-11.0	-6.5	9.6	11.6	2.0	3.5	2.9	-5.1	-1.8	16.0	1.6	7.5	10.3	0.4	-1.8	16.0	1.6
Rank	1 of 6	1 of 6	2 of 6	2 of 6	3 of 6	1 of 6	1 of 6	3 of 6	2 of 6	3 of 6	4 of 6	6 of 6	2 of 6	2 of 6	2 of 6	4 of 6	1 of 6	5 of 6	4 of 6	1 of 6	3 of 6	1 of 6	2 of 6	3 of 6	4 of 6	1 of 6	3 of 6

ADR	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	349.70	315.26	441.06	453.02	411.67	405.85	286.65	297.96	315.66	362.35	411.29	370.91	328.33	297.90	437.73	415.12	399.76	441.43	371.02	378.86	367.16	407.87	424.59	418.52	371.02	378.86	367.16
Competitive Set	281.31	261.54	369.82	381.69	326.31	325.14	212.31	217.86	253.88	307.96	337.61	315.03	269.99	251.72	368.96	353.33	321.06	333.40	333.14	313.32	299.09	372.03	345.38	336.38	333.14	313.32	299.09
Index (ARI)	124.3	120.5	119.3	118.7	126.2	124.8	135.0	136.8	124.3	117.7	121.8	117.7	121.6	118.3	118.6	117.5	124.5	132.4	111.4	120.9	122.8	109.6	122.9	124.4	111.4	120.9	122.8
Rank	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6
% Chg																											
My Property	8.0	7.4	0.2	4.1	4.8	2.7	-2.6	-4.8	-3.4	-0.8	2.6	-4.1	-6.1	-5.5	-0.8	-8.4	-2.9	8.8	-8.5	2.1	-3.1	2.0	4.1	-1.4	-8.5	2.1	-3.1
Competitive Set	-3.6	-6.4	-9.1	-4.5	-9.5	-8.2	-11.3	-12.8	-13.1	-4.0	-2.6	-7.1	-4.0	-3.8	-0.2	-7.4	-1.6	2.5	-1.5	-5.9	-4.5	0.1	-7.2	-2.6	-1.5	-5.9	-4.5
Index (ARI)	12.0	14.8	10.3	9.1	15.8	11.8	9.8	9.2	11.2	3.4	5.4	3.2	-2.2	-1.8	-0.5	-1.0	-1.3	6.1	-7.1	8.6	1.5	1.9	12.1	1.2	-7.1	8.6	1.5
Rank	2 of 6	1 of 6	3 of 6	4 of 6	1 of 6	3 of 6	3 of 6	4 of 6	4 of 6	2 of 6	1 of 6	3 of 6	5 of 6	5 of 6	4 of 6	4 of 6	4 of 6	1 of 6	6 of 6	1 of 6	5 of 6	2 of 6	1 of 6	2 of 6	6 of 6	1 of 6	5 of 6

RevPAR	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	237.90	226.38	364.35	408.92	331.55	337.68	173.70	219.71	253.01	298.76	330.53	302.16	248.65	239.51	373.52	376.44	328.91	347.31	272.08	293.13	291.28	331.83	359.69	351.12	272.08	293.13	291.28
Competitive Set	210.64	202.23	289.48	327.21	259.08	264.74	125.01	148.17	190.52	244.94	273.31	253.73	205.36	195.23	292.46	294.06	253.01	270.49	278.03	237.90	229.17	324.10	283.94	272.73	278.03	237.90	229.17
Index (RGI)	112.9	111.9	125.9	125.0	128.0	127.6	138.9	148.3	132.8	122.0	120.9	119.1	121.1	122.7	127.7	128.0	130.0	128.4	97.9	123.2	127.1	102.4	126.7	128.7	97.9	123.2	127.1
Rank	2 of 6	2 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	2 of 6	2 of 6	2 of 6	2 of 6	2 of 6	1 of 6	1 of 6	1 of 6	1 of 6	3 of 6	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6	3 of 6	1 of 6	2 of 6
% Chg																											
My Property	14.1	12.7	4.8	10.8	4.9	8.1	6.3	3.0	3.9	-0.4	-2.3	-6.5	4.5	5.8	2.5	-7.9	-0.8	2.9	-6.2	7.7	-0.6	12.9	8.4	-2.4	-6.2	7.7	-0.6
Competitive Set	-17.7	-16.3	-17.7	-8.3	-16.8	-12.8	-22.5	-16.6	-13.9	14.7	4.2	-3.1	-2.5	-3.5	1.0	-10.1	-2.3	2.2	2.8	-14.4	-3.7	3.0	-12.4	-3.9	2.8	-14.4	-3.7
Index (RGI)	38.6	34.7	27.3	20.8	26.1	24.0	37.3	23.5	20.7	-13.2	-6.2	-3.5	7.2	9.6	1.5	2.4	1.6	0.7	-8.8	25.9	3.2	9.6	23.7	1.6	-8.8	25.9	3.2
Rank	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	3 of 6	2 of 6	3 of 6	4 of 6	4 of 6	2 of 6	1 of 6	2 of 6	3 of 6	2 of 6	3 of 6	6 of 6	1 of 6	2 of 6	1 of 6	1 of 6	2 of 6	6 of 6	1 of 6	2 of 6

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Tab 5 - Response Report

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020

This Year

Dec 23rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas Day
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

Last Year

Dec 3rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

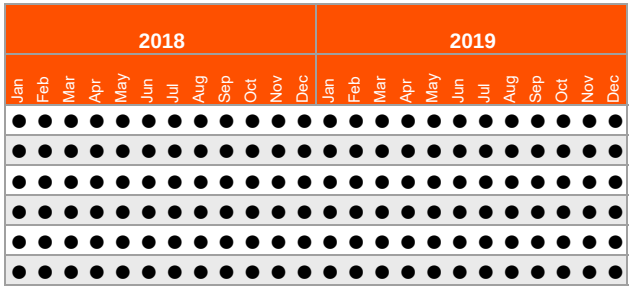
December 2019 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December 2018 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
63754	Thompson Hotels The Beekman Hotel	New York, NY	10038-2206	(212) 233-2300	287	201609
38508	Thompson Hotels Gild Hall	New York, NY	10038-4803	(212) 232-7700	130	199906
39692	The Roxy Hotel Tribeca	New York, NY	10013-2401	(212) 519-6600	201	200005
39975	The Wagner at the Battery	New York, NY	10004-1001	(212) 344-0800	298	200201
57573	AKA Tribeca	New York, NY	10007-1019	(212) 587-7000	100	200902
58268	Andaz Wall Street	New York, NY	10005-2833	(212) 590-1234	253	201001
					1269	



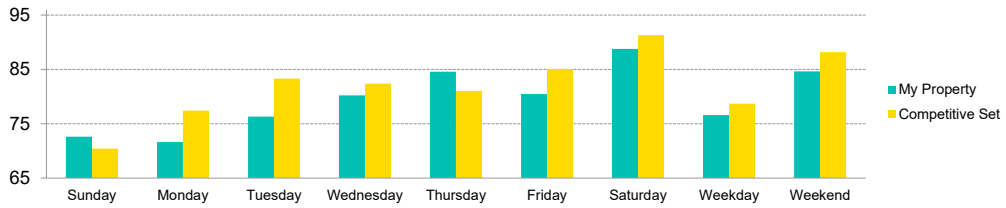
Data received:
○ = Monthly Only
● = Monthly & Daily

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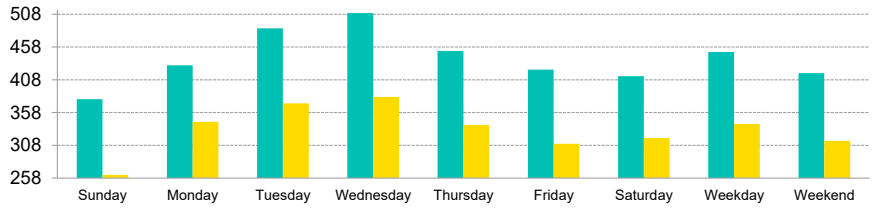
Tab 6 - Day of Week and Weekday/Weekend Report

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Current Month Occupancy



Current Month ADR



		Occupancy (%)						Average Daily Rate						RevPAR					
		My Property		Competitive Set		Index (MPI)		My Property		Competitive Set		Index (ARI)		My Property		Competitive Set		Index (RGI)	
Day of Week	Time Period		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg
Sunday	Current Month	72.6	1.3	70.4	-1.9	103.1	3.2	378.33	-1.1	263.02	-7.3	143.8	6.6	274.72	0.2	185.23	-9.0	148.3	10.0
	Year To Date	64.3	7.0	62.7	3.4	102.5	3.5	342.17	-3.9	251.66	-7.2	136.0	3.6	219.92	2.8	157.82	-4.1	139.3	7.2
	Running 3 Month	75.1	10.6	67.5	2.4	111.3	8.1	378.53	-3.2	271.64	-6.1	139.3	3.0	284.17	7.0	183.30	-3.8	155.0	11.3
	Running 12 Month	64.3	7.0	62.7	3.4	102.5	3.5	342.17	-3.9	251.66	-7.2	136.0	3.6	219.92	2.8	157.82	-4.1	139.3	7.2
Monday	Current Month	71.6	-7.8	77.4	-3.3	92.5	-4.6	430.18	4.6	343.89	4.2	125.1	0.3	308.17	-3.6	266.27	0.8	115.7	-4.3
	Year To Date	79.8	6.0	76.6	2.0	104.2	4.0	371.14	-0.2	313.93	-2.6	118.2	2.4	296.14	5.8	240.40	-0.7	123.2	6.5
	Running 3 Month	79.8	1.8	79.2	0.6	100.8	1.2	412.36	-1.1	341.99	-0.7	120.6	-0.4	328.92	0.7	270.72	-0.1	121.5	0.8
	Running 12 Month	79.8	6.0	76.6	2.0	104.2	4.0	371.14	-0.2	313.93	-2.6	118.2	2.4	296.14	5.8	240.40	-0.7	123.2	6.5
Tuesday	Current Month	76.3	-8.4	83.3	2.2	91.6	-10.4	486.49	16.6	371.92	4.4	130.8	11.8	371.23	6.8	309.87	6.7	119.8	0.1
	Year To Date	87.8	3.4	83.0	0.7	105.8	2.7	392.63	-1.1	337.99	-3.3	116.2	2.3	344.79	2.2	280.58	-2.7	122.9	5.1
	Running 3 Month	85.4	-1.4	84.1	-0.2	101.6	-1.2	450.72	0.9	377.36	-1.2	119.4	2.1	384.98	-0.5	317.40	-1.4	121.3	0.9
	Running 12 Month	87.8	3.4	83.0	0.7	105.8	2.7	392.63	-1.1	337.99	-3.3	116.2	2.3	344.79	2.2	280.58	-2.7	122.9	5.1
Wednesday	Current Month	80.2	-2.6	82.4	-2.8	97.4	0.2	509.75	16.7	381.81	7.2	133.5	8.9	408.95	13.7	314.53	4.2	130.0	9.1
	Year To Date	87.8	1.3	83.2	-0.9	105.6	2.2	392.15	-3.1	337.82	-3.7	116.1	0.7	344.35	-1.8	280.99	-4.6	122.5	2.9
	Running 3 Month	87.1	-1.3	86.5	-2.2	100.8	0.8	455.15	-1.3	386.12	-1.6	117.9	0.3	396.60	-2.6	333.93	-3.7	118.8	1.2
	Running 12 Month	87.8	1.3	83.2	-0.9	105.6	2.2	392.15	-3.1	337.82	-3.7	116.1	0.7	344.35	-1.8	280.99	-4.6	122.5	2.9
Thursday	Current Month	84.6	-2.6	81.1	-0.2	104.4	-2.4	451.91	9.3	339.09	4.4	133.3	4.7	382.23	6.4	274.85	4.1	139.1	2.2
	Year To Date	80.3	2.5	77.7	1.6	103.4	0.9	371.82	-4.3	299.07	-5.2	124.3	0.9	298.73	-1.9	232.29	-3.7	128.6	1.8
	Running 3 Month	86.1	-3.2	82.8	-4.1	104.1	1.0	425.24	-2.2	343.83	-3.8	123.7	1.6	366.31	-5.3	284.64	-7.7	128.7	2.6
	Running 12 Month	80.3	2.5	77.7	1.6	103.4	0.9	371.82	-4.3	299.07	-5.2	124.3	0.9	298.73	-1.9	232.29	-3.7	128.6	1.8
Friday	Current Month	80.5	-11.4	85.1	3.6	94.6	-14.5	423.47	10.7	310.35	2.0	136.4	8.6	340.84	-1.9	264.04	5.6	129.1	-7.2
	Year To Date	74.8	-1.1	73.8	0.8	101.4	-1.9	348.65	-4.8	265.19	-6.2	131.5	1.4	260.81	-5.9	195.64	-5.5	133.3	-0.5
	Running 3 Month	83.1	-10.1	81.4	-2.2	102.0	-8.1	403.04	-1.4	302.38	-3.7	133.3	2.3	334.77	-11.4	246.22	-5.8	136.0	-5.9
	Running 12 Month	74.8	-1.1	73.8	0.8	101.4	-1.9	348.65	-4.8	265.19	-6.2	131.5	1.4	260.81	-5.9	195.64	-5.5	133.3	-0.5
Saturday	Current Month	88.8	-3.2	91.3	2.2	97.2	-5.3	413.42	2.9	318.92	-1.3	129.6	4.3	366.96	-0.4	291.14	0.9	126.0	-1.2
	Year To Date	80.3	-0.4	79.3	-0.5	101.3	0.1	340.07	-5.0	271.67	-4.9	125.2	-0.1	273.23	-5.3	215.47	-5.4	126.8	0.0
	Running 3 Month	90.6	-0.5	85.9	-3.4	105.5	3.0	396.96	-2.1	313.81	-3.2	126.5	1.1	359.51	-2.6	269.46	-6.5	133.4	4.2
	Running 12 Month	80.3	-0.4	79.3	-0.5	101.3	0.1	340.07	-5.0	271.67	-4.9	125.2	-0.1	273.23	-5.3	215.47	-5.4	126.8	0.0
Weekday/Weekend																			
Weekday	Current Month	76.6	-4.1	78.7	-1.0	97.4	-3.1	450.35	9.4	340.65	3.4	132.2	5.8	345.01	4.9	268.02	2.3	128.7	2.5
(Sun-Thu)	Year To Date	80.0	3.9	76.7	1.2	104.4	2.6	376.02	-2.5	311.24	-4.2	120.8	1.8	300.95	1.3	238.58	-3.1	126.1	4.5
	Running 3 Month	82.7	1.0	80.1	-0.8	103.3	1.8	426.23	-1.4	347.96	-2.3	122.5	1.0	352.69	-0.4	278.60	-3.1	126.6	2.8
	Running 12 Month	80.0	3.9	76.7	1.2	104.4	2.6	376.02	-2.5	311.24	-4.2	120.8	1.8	300.95	1.3	238.58	-3.1	126.1	4.5
Weekend	Current Month	84.6	-7.4	88.2	2.4	96.0	-9.5	418.20	6.4	314.79	-0.2	132.9	6.5	353.90	-1.5	277.59	2.2	127.5	-3.6
(Fri-Sat)	Year To Date	77.6	-0.7	76.5	0.1	101.3	-0.9	344.20	-4.9	268.55	-5.5	128.2	0.6	267.02	-5.6	205.55	-5.4	129.9	-0.2
	Running 3 Month	86.8	-5.3	83.6	-2.8	103.8	-2.6	399.87	-1.8	308.25	-3.5	129.7	1.7	347.14	-7.0	257.84	-6.2	134.6	-0.9
	Running 12 Month	77.6	-0.7	76.5	0.1	101.3	-0.9	344.20	-4.9	268.55	-5.5	128.2	0.6	267.02	-5.6	205.55	-5.4	129.9	-0.2
Total	Current Month	78.7	-5.4	81.1	-0.4	97.0	-5.1	441.43	8.8	333.40	2.5	132.4	6.1	347.31	2.9	270.49	2.2	128.4	0.7
	Year To Date	79.3	2.5	76.6	0.9	103.5	1.6	367.16	-3.1	299.09	-4.5	122.8	1.5	291.28	-0.6	229.17	-3.7	127.1	3.2
	Running 3 Month	83.9	-1.0	81.1	-1.4	103.5	0.4	418.52	-1.4	336.38	-2.6	124.4	1.2	351.12	-2.4	272.73	-3.9	128.7	1.6
	Running 12 Month	79.3	2.5	76.6	0.9	103.5	1.6	367.16	-3.1	299.09	-4.5	122.8	1.5	291.28	-0.6	229.17	-3.7	127.1	3.2

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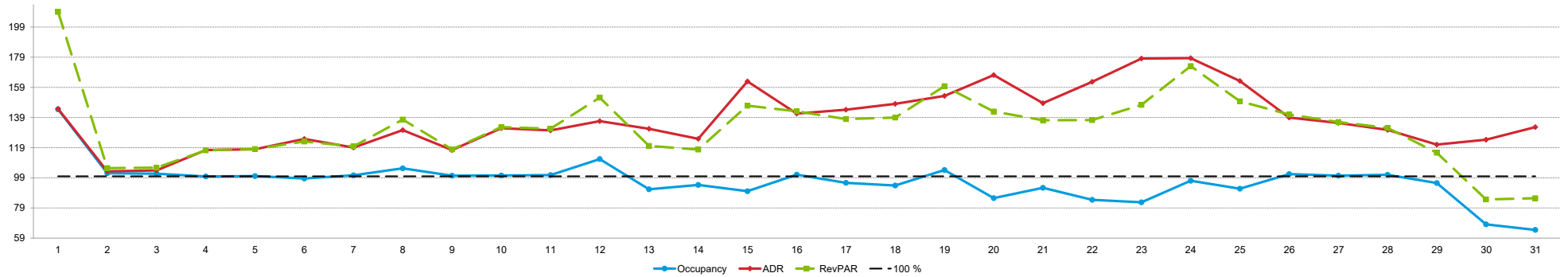
Tab 7 - Daily Data for the Month

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Daily Competitive Set Data Excludes Subject Property

Daily Indexes for the Month of December



Occupancy (%)	December																														
	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	86.8	89.9	96.9	98.3	98.6	93.4	96.9	84.0	97.6	99.3	99.3	99.0	81.9	88.2	63.4	77.7	73.9	69.7	67.6	57.5	76.7	50.9	44.3	53.0	53.7	73.2	89.2	93.4	78.0	48.8	58.5
Competitive Set	60.1	88.1	95.2	98.4	98.5	94.7	96.2	79.7	97.1	98.8	98.5	88.8	89.6	93.5	70.4	76.9	77.2	74.2	64.9	67.2	83.0	60.3	53.5	54.6	58.5	72.1	88.8	92.5	81.7	71.6	90.8
Index (MPI)	144.4	102.1	101.7	99.9	100.1	98.6	100.7	105.3	100.4	100.5	100.8	111.4	91.4	94.3	90.1	101.1	95.7	93.9	104.2	85.5	92.4	84.4	82.8	97.0	91.8	101.5	100.5	101.0	95.6	68.1	64.4
Rank	1 of 6	3 of 6	4 of 6	4 of 6	4 of 6	3 of 6	4 of 6	4 of 6	4 of 6	2 of 6	2 of 6	1 of 6	5 of 6	5 of 6	4 of 6	4 of 6	4 of 6	4 of 6	3 of 6	4 of 6	5 of 6	5 of 6	4 of 6	3 of 6	4 of 6	4 of 6	4 of 6	3 of 6	3 of 6	6 of 6	6 of 6
% Chg																															
My Property	7.5	-4.8	-1.8	-0.3	1.5	-2.2	1.9	0.6	4.9	6.4	6.4	2.6	-14.2	-10.0	3.9	11.3	8.5	16.1	4.1	-30.0	-7.4	-31.5	-41.9	-27.8	-30.8	-17.6	-1.5	11.8	32.4	-11.4	85.4
Competitive Set	-3.3	-0.3	1.2	2.2	11.7	9.3	4.5	11.4	13.0	10.6	6.1	3.9	9.2	2.9	1.8	7.4	1.1	4.0	-0.8	-7.6	-4.6	-18.0	-22.3	-17.8	-25.7	-16.3	1.8	6.1	-1.1	-16.6	41.1
Index (MPI)	11.2	-4.4	-2.9	-2.5	-9.1	-10.5	-2.6	-9.7	-7.2	-3.8	0.2	-1.3	-21.4	-12.5	2.1	3.6	7.4	11.7	5.0	-24.2	-3.0	-16.4	-25.2	-12.1	-6.8	-1.5	-3.2	5.4	33.9	6.2	31.3
Rank	2 of 6	2 of 6	5 of 6	4 of 6	5 of 6	6 of 6	3 of 6	4 of 6	4 of 6	2 of 6	2 of 6	3 of 6	6 of 6	5 of 6	3 of 6	2 of 6	3 of 6	3 of 6	3 of 6	6 of 6	4 of 6	6 of 6	6 of 6	5 of 6	4 of 6	4 of 6	4 of 6	3 of 6	2 of 6	4 of 6	2 of 6

ADR	December																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	406.48	463.07	522.12	587.46	520.63	484.27	478.68	425.68	507.28	612.08	605.64	535.47	436.76	417.02	375.45	345.79	360.83	358.75	343.31	369.94	351.82	347.90	383.97	393.59	377.36	340.63	377.73	388.40	313.23	382.67	448.07
Competitive Set	280.75	448.20	502.35	500.46	441.50	388.00	402.10	325.72	432.07	463.95	464.15	392.08	332.02	334.04	230.38	244.17	250.32	242.34	223.92	221.30	236.85	213.84	215.62	220.68	231.27	245.15	279.00	296.99	258.80	308.00	337.82
Index (ARI)	144.8	103.3	103.9	117.4	117.9	124.8	119.0	130.7	117.4	131.9	130.5	136.6	131.5	124.8	163.0	141.6	144.1	148.0	153.3	167.2	148.5	162.7	178.1	178.3	163.2	138.9	135.4	130.8	121.0	124.2	132.6
Rank	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	3 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	2 of 6
% Chg																															
My Property	-10.3	-7.7	-0.8	5.2	2.7	3.7	4.3	7.3	11.5	27.8	23.1	16.5	14.5	9.1	9.3	3.5	23.4	23.9	14.0	28.3	16.8	15.1	23.2	28.8	15.0	-0.4	-0.2	-1.5	-22.9	-8.1	24.4
Competitive Set	-17.7	0.8	-0.3	-1.6	1.9	7.0	9.1	0.8	16.2	14.1	15.1	16.2	14.5	9.9	0.5	6.6	9.6	14.8	8.9	-4.3	-2.9	-3.0	1.0	-0.9	-4.6	-15.2	-12.4	-7.6	-15.2	-10.5	46.8
Index (ARI)	8.9	-8.4	-0.5	7.0	0.8	-3.1	-4.4	6.5	-4.0	12.1	7.0	0.2	0.0	-0.7	8.7	-3.0	12.6	7.9	4.7	34.1	20.3	18.6	21.9	29.9	20.5	17.5	14.0	6.6	-9.0	2.7	-15.2
Rank	2 of 6	5 of 6	3 of 6	1 of 6	4 of 6	4 of 6	5 of 6	3 of 6	4 of 6	2 of 6	3 of 6	4 of 6	5 of 6	4 of 6	2 of 6	4 of 6	2 of 6	2 of 6	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	6 of 6	3 of 6	6 of 6

RevPAR	December																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	352.66	416.28	505.74	577.23	513.37	452.21	463.67	357.45	494.90	607.82	601.41	529.87	357.62	367.62	238.09	268.68	266.54	250.00	232.06	212.68	269.69	176.98	169.91	208.45	202.49	249.24	336.93	362.69	244.47	186.67	262.28
Competitive Set	168.68	394.80	478.31	492.30	434.76	367.45	386.94	259.72	419.76	458.28	457.06	348.16	297.53	312.27	162.11	187.73	193.22	179.90	145.25	148.74	196.57	128.91	115.27	120.45	135.18	176.75	247.75	274.61	211.36	220.49	306.86
Index (RGI)	209.1	105.4	105.7	117.3	118.1	123.1	119.8	137.6	117.9	132.6	131.6	152.2	120.2	117.7	146.9	143.1	137.9	139.0	159.8	143.0	137.2	137.3	147.4	173.1	149.8	141.0	136.0	132.1	115.7	84.7	85.5
Rank	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	2 of 6	2 of 6	2 of 6	2 of 6	1 of 6	1 of 6	2 of 6	2 of 6	2 of 6	2 of 6	4 of 6	4 of 6
% Chg																															
My Property	-3.6	-12.1	-2.6	4.9	4.2	1.4	6.2	7.9	17.0	36.0	31.0	19.4	-1.7	-1.7	13.5	15.1	33.9	43.8	18.8	-10.2	8.1	-21.1	-28.4	-7.0	-20.4	-17.9	-1.6	10.1	2.1	-18.7	130.5
Competitive Set	-20.4	0.4	0.8	0.6	13.8	16.9	14.1	12.3	31.3	26.2	22.1	20.8	25.0	13.1	2.3	14.5	10.8	19.4	8.1	-11.5	-7.3	-20.4	-21.5	-18.5	-29.2	-29.1	-10.9	-1.9	-16.2	-25.4	107.1
Index (RGI)	21.0	-12.5	-3.4	4.3	-8.5	-13.2	-6.8	-3.9	-10.9	7.8	7.3	-1.1	-21.4	-13.1	10.9	0.6	20.9	20.5	9.9	1.6	16.7	-0.9	-8.8	14.1	12.3	15.7	10.4	12.3	21.8	9.0	11.3
Rank	2 of 6	4 of 6	3 of 6	2 of 6	5 of 6	5 of 6	6 of 6	4 of 6	4 of 6	2 of 6	2 of 6	4 of 6	6 of 6	6 of 6	3 of 6	4 of 6	1 of 6	1 of 6	2 of 6	3 of 6	1 of 6	3 of 6	4 of 6	3 of 6	2 of 6	2 of 6	3 of 6	2 of 6	2 of 6	2 of 6	3 of 6

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Tab 8 - Segmentation at a Glance - My Property vs. Competitive Set

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

December 2019

		Transient	% Chg		Group	% Chg		Contract	% Chg		Total	% Chg
Occupancy (%)	My Property	63.7	-16.4	My Property	14.9	114.2	My Property	0.0	0.0	My Property	78.7	-5.4
	Comp set	69.8	-5.1	Comp set	11.3	44.0	Comp set	0.0	0.0	Comp set	81.1	-0.4
	Index (MPI)	91.3	-11.9	Index (MPI)	132.2	48.8	Index (MPI)	0.0	0.0	Index (MPI)	97.0	-5.1
ADR	My Property	431.65	7.3	My Property	483.13	8.8	My Property	0.00	0.0	My Property	441.43	8.8
	Comp set	325.28	0.0	Comp set	383.54	18.6	Comp set	0.00	0.0	Comp set	333.40	2.5
	Index (ARI)	132.7	7.3	Index (ARI)	126.0	-8.3	Index (ARI)	0.0	0.0	Index (ARI)	132.4	6.1
RevPAR	My Property	275.14	-10.3	My Property	72.17	133.1	My Property	0.00	0.0	My Property	347.31	2.9
	Comp set	227.16	-5.1	Comp set	43.33	70.8	Comp set	0.00	0.0	Comp set	270.49	2.2
	Index (RGI)	121.1	-5.5	Index (RGI)	166.6	36.5	Index (RGI)	0.0	0.0	Index (RGI)	128.4	0.7

Year To Date

		Transient	% Chg		Group	% Chg		Contract	% Chg		Total	% Chg
Occupancy (%)	My Property	62.0	2.0	My Property	17.4	4.3	My Property	0.0	0.0	My Property	79.3	2.5
	Comp set	64.1	-1.0	Comp set	12.5	12.0	Comp set	0.0	-100.0	Comp set	76.6	0.9
	Index (MPI)	96.7	3.0	Index (MPI)	138.8	-6.9	Index (MPI)	0.0	0.0	Index (MPI)	103.5	1.6
ADR	My Property	364.58	-4.3	My Property	376.37	1.4	My Property	0.00	0.0	My Property	367.16	-3.1
	Comp set	292.48	-5.0	Comp set	332.96	-3.2	Comp set	0.00	-100.0	Comp set	299.09	-4.5
	Index (ARI)	124.7	0.8	Index (ARI)	113.0	4.8	Index (ARI)	0.0	0.0	Index (ARI)	122.8	1.5
RevPAR	My Property	225.96	-2.4	My Property	65.33	5.9	My Property	0.00	0.0	My Property	291.28	-0.6
	Comp set	187.53	-6.0	Comp set	41.64	8.5	Comp set	0.00	-100.0	Comp set	229.17	-3.7
	Index (RGI)	120.5	3.8	Index (RGI)	156.9	-2.4	Index (RGI)	0.0	0.0	Index (RGI)	127.1	3.2

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Tab 9 - Segmentation Occupancy Analysis

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		Occupancy (%)												Percent Change (%)											
		Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month		My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018	Jul	50.8	67.1	70.0	17.2	7.8	11.6	0.0	0.0	1.6	68.0	74.9	83.2	6.8	-11.1	-2.3	2.3	-36.5	-11.1	0.0	0.0	624.1	5.6	-14.6	-2.0
	Aug	61.9	70.2	70.0	9.9	7.1	12.6	0.0	0.0	1.3	71.8	77.3	83.9	7.7	-10.5	-1.3	-9.3	-10.7	4.6	0.0	0.0	935.2	5.0	-10.6	0.9
	Sep	61.9	65.2	60.9	20.7	13.1	21.5	0.0	0.0	1.4	82.6	78.3	83.8	1.6	-9.3	-5.1	14.4	-10.1	-8.9	0.0	0.0	1876.7	4.5	-9.5	-4.6
	Oct	67.2	66.8	68.9	23.1	18.9	17.6	0.0	0.1	1.2	90.3	85.7	87.6	13.6	-2.6	-1.9	-10.1	-8.5	4.2	0.0	0.0	1437.0	6.4	-3.9	0.5
	Nov	62.3	69.4	68.5	18.3	10.0	14.3	0.0	0.0	1.0	80.5	79.4	83.7	-6.7	-1.5	-2.9	32.9	-37.0	-7.4	0.0	-100.0	1369.9	0.1	-8.0	-2.6
	Dec	76.2	73.6	73.8	7.0	7.8	8.8	0.0	0.0	0.8	83.2	81.4	83.4	4.8	0.8	-5.2	11.1	-38.4	-5.9	0.0	0.0	1352.2	5.3	-5.0	-4.4
2019	Jan	42.5	51.7	55.3	18.1	7.2	10.0	0.0	0.0	0.8	60.6	58.9	66.2	-13.6	-10.1	-10.7	185.5	-27.4	-3.0	0.0	0.0	1124.5	9.2	-12.6	-8.6
	Feb	54.9	58.0	57.5	18.8	10.0	10.1	0.0	0.0	0.8	73.7	68.0	68.4	16.6	-1.6	-8.7	-10.7	-17.4	-12.0	0.0	0.0	927.3	8.2	-4.3	-8.3
	Mar	65.7	59.0	60.3	14.5	16.0	13.1	0.0	0.0	0.7	80.2	75.0	74.1	13.0	-8.1	-7.8	-11.4	39.2	-26.9	0.0	0.0	878.9	7.6	-0.9	-11.1
	Apr	71.3	65.4	66.0	11.1	14.2	12.9	0.0	0.0	0.6	82.5	79.5	79.5	12.9	17.5	-3.8	-41.4	29.7	-10.9	0.0	0.0	-26.4	0.4	19.5	-5.2
	May	61.9	64.0	66.0	18.5	16.9	15.1	0.0	0.0	0.6	80.4	81.0	81.7	-2.8	-2.4	-2.4	-10.7	68.0	-1.1	0.0	0.0	-41.7	-4.7	7.0	-2.6
	Jun	62.8	68.5	67.8	18.7	12.1	14.3	0.0	0.0	0.6	81.5	80.5	82.7	-1.2	10.3	0.7	-6.5	-19.0	-9.0	0.0	-100.0	-58.2	-2.5	4.3	-2.1
	Jul	56.6	66.6	67.4	19.2	9.5	13.8	0.0	0.0	0.5	75.7	76.1	81.7	11.3	-0.8	-3.8	11.3	21.8	19.2	0.0	0.0	-65.8	11.3	1.6	-1.8
	Aug	71.1	70.7	68.4	9.3	6.8	12.6	0.0	0.0	0.5	80.4	77.6	81.5	15.0	0.7	-2.3	-6.8	-3.2	0.3	0.0	0.0	-63.0	12.0	0.3	-2.9
	Sep	70.8	62.9	62.8	14.6	16.4	21.0	0.0	0.0	0.5	85.3	79.3	84.3	14.3	-3.5	3.1	-29.7	24.7	-2.5	0.0	0.0	-62.4	3.3	1.3	0.6
	Oct	70.3	69.8	69.3	20.4	13.4	15.4	0.0	0.0	0.5	90.7	83.2	85.1	4.7	4.6	0.6	-11.8	-29.1	-12.6	0.0	-100.0	-58.8	0.5	-2.9	-2.8
	Nov	51.6	62.5	68.3	30.7	16.3	13.6	0.0	0.0	0.5	82.3	78.8	82.4	-17.1	-9.9	-0.2	67.7	62.7	-4.8	0.0	0.0	-47.9	2.2	-0.7	-1.5
	Dec	63.7	69.8	75.1	14.9	11.3	9.6	0.0	0.0	0.5	78.7	81.1	85.2	-16.4	-5.1	1.8	114.2	44.0	8.7	0.0	0.0	-29.8	-5.4	-0.4	2.2
Year To Date																									
2017		58.2	68.4	66.8	15.1	15.0	14.5	0.0	0.0	0.1	73.3	83.5	81.4	-1.2	5.3	2.6	20.2	1.0	-2.9	0.0	0.0	-46.4	2.6	4.5	1.5
2018		60.7	64.7	67.2	16.6	11.2	14.3	0.0	0.0	0.9	77.4	75.9	82.3	4.3	-5.4	0.5	10.1	-25.7	-1.7	0.0	9200.0	704.8	5.5	-9.0	1.1
2019		62.0	64.1	65.5	17.4	12.5	13.5	0.0	0.0	0.6	79.3	76.6	79.6	2.0	-1.0	-2.5	4.3	12.0	-5.5	0.0	-100.0	-32.2	2.5	0.9	-3.3
Running 3 Month																									
2017		66.4	70.7	72.8	15.0	16.4	13.9	0.0	0.0	0.1	81.4	87.1	86.8	11.4	0.5	7.2	7.3	14.7	-4.7	0.0	0.0	-62.3	10.6	2.9	5.0
2018		68.6	69.9	70.4	16.1	12.3	13.5	0.0	0.0	1.0	84.7	82.2	84.9	3.4	-1.1	-3.3	7.3	-25.3	-2.6	0.0	1700.0	1389.2	4.1	-5.6	-2.2
2019		62.0	67.4	70.9	21.9	13.6	12.8	0.0	0.0	0.5	83.9	81.1	84.3	-9.6	-3.5	0.8	36.0	11.1	-5.2	0.0	-100.0	-47.5	-1.0	-1.4	-0.7
Running 12 Month																									
2017		58.2	68.4	66.8	15.1	15.0	14.5	0.0	0.0	0.1	73.3	83.5	81.4	-1.2	5.3	2.6	20.2	1.0	-2.9	0.0	0.0	-46.4	2.6	4.5	1.5
2018		60.7	64.7	67.2	16.6	11.2	14.3	0.0	0.0	0.9	77.4	75.9	82.3	4.3	-5.4	0.5	10.1	-25.7	-1.7	0.0	9200.0	704.8	5.5	-9.0	1.1
2019		62.0	64.1	65.5	17.4	12.5	13.5	0.0	0.0	0.6	79.3	76.6	79.6	2.0	-1.0	-2.5	4.3	12.0	-5.5	0.0	-100.0	-32.2	2.5	0.9	-3.3

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Tab 10 - Segmentation ADR Analysis

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		Average Daily Rate												Percent Change (%)									
		Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month		My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018	Jul	355.44	280.84	402.30	332.79	285.40	438.77	0.00	0.00	295.52	349.70	281.31	405.32	9.4	-1.8	8.0	3.9	-12.7	3.1	0.0	0.0	5.3	8.0	-3.6	6.6
	Aug	321.08	259.51	394.12	279.10	281.69	396.86	0.00	0.00	292.27	315.26	261.54	393.00	6.4	-7.2	6.7	11.4	0.9	16.6	0.0	0.0	8.6	7.4	-6.4	7.7
	Sep	451.89	364.13	542.69	408.67	398.12	761.05	0.00	0.00	303.30	441.06	369.82	594.83	2.8	-7.9	3.9	-7.3	-14.2	7.5	0.0	0.0	34.3	0.2	-9.1	4.0
	Oct	463.17	378.68	558.43	423.49	392.18	535.79	0.00	429.00	346.30	453.02	381.69	551.06	7.5	-2.6	8.8	-4.8	-10.3	10.8	0.0	0.0	34.3	4.1	-4.5	8.6
	Nov	398.98	317.17	554.98	454.89	389.69	540.86	0.00	0.00	338.35	411.67	326.31	550.11	4.9	-9.7	10.7	0.3	-3.1	12.6	0.0	-100.0	85.4	4.8	-9.5	10.6
	Dec	402.35	325.32	572.55	444.05	323.38	666.95	0.00	0.00	304.51	405.85	325.14	580.06	1.5	-6.5	10.2	16.3	-17.1	11.6	0.0	0.0	38.5	2.7	-8.2	9.9
2019	Jan	297.74	210.94	352.14	260.63	222.19	340.33	0.00	0.00	294.06	286.65	212.31	349.64	-0.1	-11.2	5.3	-2.4	-11.2	5.4	0.0	0.0	-8.2	-2.6	-11.3	5.1
	Feb	300.02	216.39	355.17	291.94	226.33	351.57	0.00	0.00	270.65	297.96	217.86	353.68	-7.6	-11.9	4.5	1.8	-16.4	8.2	0.0	0.0	-15.2	-4.8	-12.8	4.7
	Mar	304.69	246.23	401.63	365.45	282.03	402.59	0.00	0.00	277.42	315.66	253.88	400.57	-9.5	-14.2	1.5	25.1	-12.2	-28.4	0.0	0.0	-16.8	-3.4	-13.1	-7.1
	Apr	364.78	304.89	466.01	346.73	322.13	463.51	0.00	0.00	304.36	362.35	307.96	464.30	0.7	-4.0	5.5	-7.5	-4.5	4.1	0.0	0.0	7.9	-0.8	-4.0	5.4
	May	395.16	329.62	500.60	465.39	367.77	511.16	0.00	0.00	310.97	411.29	337.61	501.18	-3.2	-3.9	-0.5	23.2	-1.1	8.2	0.0	0.0	13.0	2.6	-2.6	1.3
	Jun	370.04	306.30	466.84	373.84	364.61	449.55	0.00	0.00	319.91	370.91	315.03	462.80	-3.0	-5.7	-1.5	-7.4	-8.4	-0.4	0.0	-100.0	11.5	-4.1	-7.1	-0.8
	Jul	333.59	268.38	410.47	312.80	281.30	377.92	0.00	0.00	335.88	328.33	269.99	404.47	-6.1	-4.4	2.0	-6.0	-1.4	-13.9	0.0	0.0	13.7	-6.1	-4.0	-0.2
	Aug	304.65	250.02	391.52	246.12	269.18	359.12	0.00	0.00	331.11	297.90	251.72	386.15	-5.1	-3.7	-0.7	-11.8	-4.4	-9.5	0.0	0.0	13.3	-5.5	-3.8	-1.7
	Sep	433.28	360.02	532.75	459.38	403.32	745.64	0.00	0.00	302.63	437.73	368.96	584.30	-4.1	-1.1	-1.8	12.4	1.3	-2.0	0.0	0.0	-0.2	-0.8	-0.2	-1.8
	Oct	407.18	349.46	529.54	442.53	373.47	497.21	0.00	0.00	318.45	415.12	353.33	522.51	-12.1	-7.7	-5.2	4.5	-4.8	-7.2	0.0	-100.0	-8.0	-8.4	-7.4	-5.2
	Nov	399.38	310.31	516.33	400.39	362.36	492.72	0.00	0.00	322.39	399.76	321.06	511.27	0.1	-2.2	-7.0	-12.0	-7.0	-8.9	0.0	0.0	-4.7	-2.9	-1.6	-7.1
	Dec	431.65	325.28	564.58	483.13	383.54	611.64	0.00	0.00	297.01	441.43	333.40	568.18	7.3	0.0	-1.4	8.8	18.6	-8.3	0.0	0.0	-2.5	8.8	2.5	-2.0
Year To Date																									
2017		369.62	327.12	433.25	376.43	360.54	464.47	0.00	1.00	277.44	371.02	333.14	438.61	-9.6	-1.1	0.4	-3.7	-3.1	-2.2	0.0	0.0	-50.3	-8.5	-1.5	-0.3
2018		381.01	308.03	460.17	371.02	343.87	508.32	0.00	354.32	302.63	378.86	313.32	466.83	3.1	-5.8	6.2	-1.4	-4.6	9.4	0.0	35332.3	9.1	2.1	-5.9	6.4
2019		364.58	292.48	462.86	376.37	332.96	484.33	0.00	0.00	304.66	367.16	299.09	465.31	-4.3	-5.0	0.6	1.4	-3.2	-4.7	0.0	-100.0	0.7	-3.1	-4.5	-0.3
Running 3 Month																									
2017		400.96	362.34	511.73	438.43	413.74	507.89	0.00	1.00	222.74	407.87	372.03	510.90	-0.4	-0.4	1.8	13.0	0.9	0.1	0.0	0.0	-59.7	2.0	0.1	1.4
2018		421.42	339.85	562.32	438.12	376.71	566.26	0.00	429.00	332.56	424.59	345.38	560.35	5.1	-6.2	9.9	-0.1	-9.0	11.5	0.0	42800.0	49.3	4.1	-7.2	9.7
2019		413.54	329.19	537.89	432.63	371.95	524.40	0.00	0.00	312.04	418.52	336.38	534.49	-1.9	-3.1	-4.3	-1.3	-1.3	-7.4	0.0	-100.0	-6.2	-1.4	-2.6	-4.6
Running 12 Month																									
2017		369.62	327.12	433.25	376.43	360.54	464.47	0.00	1.00	277.44	371.02	333.14	438.61	-9.6	-1.1	0.4	-3.7	-3.1	-2.2	0.0	0.0	-50.3	-8.5	-1.5	-0.3
2018		381.01	308.03	460.17	371.02	343.87	508.32	0.00	354.32	302.63	378.86	313.32	466.83	3.1	-5.8	6.2	-1.4	-4.6	9.4	0.0	35332.3	9.1	2.1	-5.9	6.4
2019		364.58	292.48	462.86	376.37	332.96	484.33	0.00	0.00	304.66	367.16	299.09	465.31	-4.3	-5.0	0.6	1.4	-3.2	-4.7	0.0	-100.0	0.7	-3.1	-4.5	-0.3

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Tab 11 - Segmentation RevPAR Analysis

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		RevPAR												Percent Change (%)									
		Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month		My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018	Jul	180.54	188.35	281.79	57.35	22.28	50.76	0.00	0.00	4.73	237.90	210.64	337.28	16.8	-12.7	5.6	6.2	-44.5	-8.3	0.0	0.0	662.7	14.1	-17.7	4.5
	Aug	198.61	182.30	276.08	27.77	19.92	50.05	0.00	0.00	3.67	226.38	202.23	329.80	14.6	-17.0	5.4	1.0	-9.9	22.0	0.0	0.0	1024.3	12.7	-16.3	8.7
	Sep	279.75	237.24	330.57	84.60	52.24	163.76	0.00	0.00	4.16	364.35	289.48	498.49	4.4	-16.5	-1.4	6.0	-22.9	-2.0	0.0	0.0	2554.4	4.8	-17.7	-0.8
	Oct	311.14	252.80	384.55	97.78	74.15	94.09	0.00	0.25	4.05	408.92	327.21	482.69	22.1	-5.1	6.7	-14.4	-17.9	15.5	0.0	0.0	1964.6	10.8	-8.3	9.2
	Nov	248.39	220.07	380.02	83.16	39.01	77.33	0.00	0.00	3.22	331.55	259.08	460.57	-2.1	-11.1	7.5	33.2	-38.9	4.2	0.0	-100.0	2625.2	4.9	-16.8	7.7
	Dec	306.72	239.37	422.71	30.96	25.37	58.72	0.00	0.00	2.32	337.68	264.74	483.76	6.4	-5.8	4.5	29.2	-48.9	5.0	0.0	0.0	1910.7	8.1	-12.8	5.0
2019	Jan	126.52	109.12	194.84	47.18	15.90	34.08	0.00	0.00	2.38	173.70	125.01	231.30	-13.6	-20.2	-6.0	178.6	-35.5	2.2	0.0	0.0	1024.1	6.3	-22.5	-4.0
	Feb	164.73	125.47	204.21	54.98	22.69	35.48	0.00	0.00	2.10	219.71	148.17	241.78	7.8	-13.3	-4.7	-9.1	-30.9	-4.8	0.0	0.0	770.8	3.0	-16.6	-3.9
	Mar	200.13	145.27	242.10	52.88	45.25	52.81	0.00	0.00	2.03	253.01	190.52	296.94	2.3	-21.2	-6.4	10.9	22.2	-47.7	0.0	0.0	714.0	3.9	-13.9	-17.4
	Apr	260.26	199.31	307.78	38.50	45.63	59.60	0.00	0.00	1.95	298.76	244.94	369.33	13.7	12.8	1.5	-45.9	23.8	-7.2	0.0	0.0	-20.6	-0.4	14.7	-0.1
	May	244.64	210.99	330.49	85.89	62.31	77.11	0.00	0.00	1.84	330.53	273.31	409.44	-5.9	-6.1	-2.9	10.0	66.1	7.0	0.0	0.0	-34.2	-2.3	4.2	-1.4
	Jun	232.25	209.77	316.50	69.90	43.96	64.49	0.00	0.00	1.89	302.16	253.73	382.87	-4.1	4.0	-0.8	-13.4	-25.8	-9.3	0.0	-100.0	-53.4	-6.5	-3.1	-2.8
	Jul	188.67	178.61	276.57	59.98	26.75	52.11	0.00	0.00	1.84	248.65	205.36	330.52	4.5	-5.2	-1.9	4.6	20.0	2.7	0.0	0.0	-61.1	4.5	-2.5	-2.0
	Aug	216.69	176.80	267.86	22.82	18.44	45.41	0.00	0.00	1.54	239.51	195.23	314.81	9.1	-3.0	-3.0	-17.8	-7.5	-9.3	0.0	0.0	-58.1	5.8	-3.5	-4.5
	Sep	306.67	226.46	334.65	66.85	66.00	156.36	0.00	0.00	1.56	373.52	292.46	492.58	9.6	-4.5	1.2	-21.0	26.3	-4.5	0.0	0.0	-62.5	2.5	1.0	-1.2
	Oct	286.31	243.97	366.90	90.13	50.09	76.35	0.00	0.00	1.54	376.44	294.06	444.79	-8.0	-3.5	-4.6	-7.8	-32.5	-18.8	0.0	-100.0	-62.1	-7.9	-10.1	-7.9
	Nov	206.19	194.01	352.78	122.72	59.00	67.10	0.00	0.00	1.60	328.91	253.01	421.47	-17.0	-11.8	-7.2	47.6	51.3	-13.2	0.0	0.0	-50.4	-0.8	-2.3	-8.5
	Dec	275.14	227.16	424.17	72.17	43.33	58.54	0.00	0.00	1.59	347.31	270.49	484.31	-10.3	-5.1	0.3	133.1	70.8	-0.3	0.0	0.0	-31.5	2.9	2.2	0.1
Year To Date																									
2017		215.19	223.87	289.43	56.89	54.16	67.45	0.00	0.00	0.30	272.08	278.03	357.18	-10.7	4.1	3.1	15.8	-2.2	-5.0	0.0	0.0	-73.3	-6.2	2.8	1.2
2018		231.41	199.43	309.09	61.72	38.38	72.53	0.00	0.09	2.66	293.13	237.90	384.27	7.5	-10.9	6.8	8.5	-29.1	7.5	0.0	######	777.9	7.7	-14.4	7.6
2019		225.96	187.53	303.13	65.33	41.64	65.30	0.00	0.00	1.81	291.28	229.17	370.24	-2.4	-6.0	-1.9	5.9	8.5	-10.0	0.0	-100.0	-31.7	-0.6	-3.7	-3.7
Running 3 Month																									
2017		266.07	256.12	372.70	65.75	67.98	70.63	0.00	0.00	0.14	331.83	324.10	443.47	11.0	0.1	9.1	21.3	15.7	-4.6	0.0	0.0	-84.8	12.9	3.0	6.5
2018		289.19	237.60	395.93	70.50	46.25	76.71	0.00	0.09	3.20	359.69	283.94	475.83	8.7	-7.2	6.2	7.2	-32.0	8.6	0.0	######	2123.4	8.4	-12.4	7.3
2019		256.42	222.01	381.59	94.70	50.72	67.33	0.00	0.00	1.57	351.12	272.73	450.50	-11.3	-6.6	-3.6	34.3	9.7	-12.2	0.0	-100.0	-50.8	-2.4	-3.9	-5.3
Running 12 Month																									
2017		215.19	223.87	289.43	56.89	54.16	67.45	0.00	0.00	0.30	272.08	278.03	357.18	-10.7	4.1	3.1	15.8	-2.2	-5.0	0.0	0.0	-73.3	-6.2	2.8	1.2
2018		231.41	199.43	309.09	61.72	38.38	72.53	0.00	0.09	2.66	293.13	237.90	384.27	7.5	-10.9	6.8	8.5	-29.1	7.5	0.0	######	777.9	7.7	-14.4	7.6
2019		225.96	187.53	303.13	65.33	41.64	65.30	0.00	0.00	1.81	291.28	229.17	370.24	-2.4	-6.0	-1.9	5.9	8.5	-10.0	0.0	-100.0	-31.7	-0.6	-3.7	-3.7

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Tab 12 - Segmentation Index Analysis

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Indexes												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2018 Jul	75.7	126.6	95.9	220.7	116.6	257.4	0.0	0.0	0.0	90.9	124.3	112.9	20.1	11.4	33.8	60.9	19.0	91.6	0.0	0.0	0.0	23.7	12.0	38.6
Aug	88.1	123.7	108.9	140.7	99.1	139.4	0.0	0.0	0.0	92.9	120.5	111.9	20.4	14.6	38.0	1.6	10.4	12.1	0.0	0.0	0.0	17.4	14.8	34.7
Sep	95.0	124.1	117.9	157.8	102.7	161.9	0.0	0.0	0.0	105.5	119.3	125.9	12.1	11.6	25.0	27.2	8.1	37.4	0.0	0.0	0.0	15.4	10.3	27.3
Oct	100.6	122.3	123.1	122.1	108.0	131.9	0.0	0.0	0.0	105.3	118.7	125.0	16.7	10.3	28.7	-1.7	6.1	4.2	0.0	0.0	0.0	10.8	9.1	20.8
Nov	89.7	125.8	112.9	182.6	116.7	213.2	0.0	0.0	0.0	101.4	126.2	128.0	-5.2	16.2	10.2	110.8	3.4	118.0	0.0	0.0	0.0	8.9	15.8	26.1
Dec	103.6	123.7	128.1	88.9	137.3	122.1	0.0	0.0	0.0	102.2	124.8	127.6	4.0	8.5	12.9	80.3	40.2	152.9	0.0	0.0	0.0	10.9	11.8	24.0
2019 Jan	82.2	141.1	116.0	253.0	117.3	296.8	0.0	0.0	0.0	102.9	135.0	138.9	-3.8	12.6	8.3	293.0	9.9	331.9	0.0	0.0	0.0	25.0	9.8	37.3
Feb	94.7	138.6	131.3	187.8	129.0	242.3	0.0	0.0	0.0	108.4	136.8	148.3	18.5	4.9	24.3	8.1	21.8	31.7	0.0	0.0	0.0	13.0	9.2	23.5
Mar	111.3	123.7	137.8	90.2	129.6	116.9	0.0	0.0	0.0	106.8	124.3	132.8	22.9	5.5	29.7	-36.4	42.5	-9.3	0.0	0.0	0.0	8.6	11.2	20.7
Apr	109.1	119.6	130.6	78.4	107.6	84.4	0.0	0.0	0.0	103.7	117.7	122.0	-3.9	4.9	0.8	-54.9	-3.2	-56.3	0.0	0.0	0.0	-16.0	3.4	-13.2
May	96.7	119.9	115.9	108.9	126.5	137.8	0.0	0.0	0.0	99.3	121.8	120.9	-0.4	0.6	0.2	-46.8	24.6	-33.8	0.0	0.0	0.0	-11.0	5.4	-6.2
Jun	91.6	120.8	110.7	155.1	102.5	159.0	0.0	0.0	0.0	101.1	117.7	119.1	-10.4	2.9	-7.8	15.5	1.1	16.7	0.0	0.0	0.0	-6.5	3.2	-3.5
Jul	85.0	124.3	105.6	201.6	111.2	224.2	0.0	0.0	0.0	99.6	121.6	121.1	12.2	-1.8	10.2	-8.6	-4.6	-12.9	0.0	0.0	0.0	9.6	-2.2	7.2
Aug	100.6	121.8	122.6	135.4	91.4	123.8	0.0	0.0	0.0	103.7	118.3	122.7	14.2	-1.5	12.5	-3.8	-7.7	-11.2	0.0	0.0	0.0	11.6	-1.8	9.6
Sep	112.5	120.3	135.4	88.9	113.9	101.3	0.0	0.0	0.0	107.7	118.6	127.7	18.4	-3.0	14.8	-43.6	11.0	-37.5	0.0	0.0	0.0	2.0	-0.5	1.5
Oct	100.7	116.5	117.4	151.8	118.5	179.9	0.0	0.0	0.0	109.0	117.5	128.0	0.1	-4.7	-4.6	24.3	9.7	36.4	0.0	0.0	0.0	3.5	-1.0	2.4
Nov	82.6	128.7	106.3	188.2	110.5	208.0	0.0	0.0	0.0	104.4	124.5	130.0	-8.0	2.3	-5.8	3.1	-5.3	-2.4	0.0	0.0	0.0	2.9	-1.3	1.6
Dec	91.3	132.7	121.1	132.2	126.0	166.6	0.0	0.0	0.0	97.0	132.4	128.4	-11.9	7.3	-5.5	48.8	-8.3	36.5	0.0	0.0	0.0	-5.1	6.1	0.7
Year To Date																								
2017	85.1	113.0	96.1	100.6	104.4	105.0	0.0	0.0	0.0	87.9	111.4	97.9	-6.1	-8.6	-14.2	19.0	-0.6	18.4	0.0	0.0	0.0	-1.8	-7.1	-8.8
2018	93.8	123.7	116.0	149.0	107.9	160.8	0.0	0.0	0.0	101.9	120.9	123.2	10.3	9.5	20.7	48.1	3.3	53.1	0.0	0.0	0.0	16.0	8.6	25.9
2019	96.7	124.7	120.5	138.8	113.0	156.9	0.0	0.0	0.0	103.5	122.8	127.1	3.0	0.8	3.8	-6.9	4.8	-2.4	0.0	0.0	0.0	1.6	1.5	3.2
Running 3 Month																								
2017	93.9	110.7	103.9	91.3	106.0	96.7	0.0	0.0	0.0	93.4	109.6	102.4	10.8	0.0	10.8	-6.4	12.0	4.8	0.0	0.0	0.0	7.5	1.9	9.6
2018	98.2	124.0	121.7	131.0	116.3	152.4	0.0	0.0	0.0	103.0	122.9	126.7	4.6	12.1	17.2	43.6	9.8	57.6	0.0	0.0	0.0	10.3	12.1	23.7
2019	91.9	125.6	115.5	160.5	116.3	186.7	0.0	0.0	0.0	103.5	124.4	128.7	-6.3	1.3	-5.1	22.5	0.0	22.5	0.0	0.0	0.0	0.4	1.2	1.6
Running 12 Month																								
2017	85.1	113.0	96.1	100.6	104.4	105.0	0.0	0.0	0.0	87.9	111.4	97.9	-6.1	-8.6	-14.2	19.0	-0.6	18.4	0.0	0.0	0.0	-1.8	-7.1	-8.8
2018	93.8	123.7	116.0	149.0	107.9	160.8	0.0	0.0	0.0	101.9	120.9	123.2	10.3	9.5	20.7	48.1	3.3	53.1	0.0	0.0	0.0	16.0	8.6	25.9
2019	96.7	124.7	120.5	138.8	113.0	156.9	0.0	0.0	0.0	103.5	122.8	127.1	3.0	0.8	3.8	-6.9	4.8	-2.4	0.0	0.0	0.0	1.6	1.5	3.2

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Tab 13 - Segmentation Ranking Analysis

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Ranking												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2018 Jul	6 of 6	1 of 6	4 of 6	1 of 6	3 of 6	1 of 6				4 of 6	1 of 6	2 of 6	1 of 6	2 of 6	1 of 6	3 of 6	2 of 6	2 of 6				1 of 6	2 of 6	1 of 6
Aug	4 of 6	1 of 6	2 of 6	1 of 6	3 of 6	2 of 6				4 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	5 of 6	1 of 6	4 of 6				1 of 6	1 of 6	1 of 6
Sep	4 of 6	1 of 6	2 of 6	2 of 6	3 of 6	1 of 6				3 of 6	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	4 of 6	4 of 6	4 of 6				2 of 6	3 of 6	1 of 6
Oct	4 of 6	1 of 6	3 of 6	2 of 6	1 of 6	2 of 6				2 of 6	1 of 6	1 of 6	1 of 6	2 of 6	1 of 6	4 of 6	4 of 6	3 of 6				2 of 6	4 of 6	2 of 6
Nov	5 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6				4 of 6	1 of 6	1 of 6	4 of 6	1 of 6	4 of 6	2 of 6	1 of 6	2 of 6				3 of 6	1 of 6	1 of 6
Dec	3 of 6	1 of 6	2 of 6	3 of 6	1 of 6	2 of 6				4 of 6	1 of 6	1 of 6	2 of 6	4 of 6	2 of 6	2 of 6	1 of 6	2 of 6				1 of 6	3 of 6	1 of 6
2019 Jan	5 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6				4 of 6	1 of 6	1 of 6	3 of 6	3 of 6	3 of 6	1 of 6	3 of 6	1 of 6				1 of 6	3 of 6	1 of 6
Feb	4 of 6	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6				3 of 6	1 of 6	1 of 6	2 of 5	4 of 5	2 of 5	3 of 5	1 of 5	2 of 5				3 of 6	4 of 6	3 of 6
Mar	3 of 6	1 of 6	2 of 6	3 of 6	2 of 6	2 of 6				3 of 6	1 of 6	1 of 6	1 of 5	4 of 5	1 of 5	4 of 5	2 of 5	5 of 5				2 of 6	4 of 6	2 of 6
Apr	2 of 6	1 of 6	2 of 6	4 of 6	2 of 6	3 of 6				2 of 6	1 of 6	2 of 6	3 of 6	1 of 6	3 of 6	6 of 6	3 of 6	6 of 6				3 of 6	2 of 6	3 of 6
May	4 of 6	1 of 6	2 of 6	3 of 6	1 of 6	2 of 6				3 of 6	1 of 6	2 of 6	4 of 6	4 of 6	4 of 6	6 of 6	1 of 6	6 of 6				4 of 6	1 of 6	4 of 6
Jun	5 of 6	1 of 6	2 of 6	1 of 6	3 of 6	2 of 6				3 of 6	1 of 6	2 of 6	6 of 6	2 of 6	5 of 6	3 of 6	5 of 6	5 of 6				6 of 6	3 of 6	4 of 6
Jul	5 of 6	1 of 6	2 of 6	1 of 6	2 of 6	1 of 6				4 of 6	1 of 6	2 of 6	2 of 6	4 of 6	2 of 6	3 of 6	4 of 6	3 of 6				2 of 6	5 of 6	2 of 6
Aug	4 of 6	2 of 6	2 of 6	1 of 6	4 of 6	2 of 6				4 of 6	2 of 6	2 of 6	2 of 6	4 of 6	1 of 6	3 of 6	4 of 6	3 of 6				2 of 6	5 of 6	1 of 6
Sep	3 of 6	1 of 6	2 of 6	3 of 6	1 of 6	3 of 6				4 of 6	1 of 6	1 of 6	1 of 6	5 of 6	1 of 6	6 of 6	1 of 6	6 of 6				2 of 6	4 of 6	2 of 6
Oct	5 of 6	2 of 6	3 of 6	1 of 6	2 of 6	1 of 6				2 of 6	1 of 6	1 of 6	4 of 6	5 of 6	5 of 6	1 of 6	2 of 6	1 of 6				4 of 6	4 of 6	3 of 6
Nov	5 of 6	1 of 6	3 of 6	1 of 6	1 of 6	1 of 6				4 of 6	1 of 6	1 of 6	4 of 6	2 of 6	4 of 6	2 of 6	5 of 6	3 of 6				1 of 6	4 of 6	2 of 6
Dec	3 of 6	1 of 6	2 of 6	2 of 6	2 of 6	2 of 6				4 of 6	1 of 6	1 of 6	5 of 6	1 of 6	5 of 6	2 of 6	4 of 6	3 of 6				5 of 6	1 of 6	3 of 6
Year To Date																								
2017	6 of 6	2 of 6	4 of 6	3 of 6	2 of 6	3 of 6				6 of 6	2 of 6	3 of 6	5 of 6	6 of 6	6 of 6	3 of 6	4 of 6	3 of 6				4 of 6	6 of 6	6 of 6
2018	5 of 6	1 of 6	2 of 6	1 of 6	2 of 6	1 of 6				4 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	4 of 6	1 of 6				1 of 6	1 of 6	1 of 6
2019	4 of 6	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6				3 of 6	1 of 6	2 of 6	3 of 6	5 of 6	2 of 6	3 of 6	2 of 6	3 of 6				3 of 6	5 of 6	2 of 6
Running 3 Month																								
2017	5 of 6	2 of 6	4 of 6	3 of 6	3 of 6	2 of 6				6 of 6	2 of 6	2 of 6	1 of 6	3 of 6	1 of 6	4 of 6	2 of 6	2 of 6				1 of 6	2 of 6	1 of 6
2018	4 of 6	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6				4 of 6	1 of 6	1 of 6	3 of 6	1 of 6	1 of 6	2 of 6	3 of 6	2 of 6				2 of 6	1 of 6	1 of 6
2019	5 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6				4 of 6	1 of 6	1 of 6	6 of 6	2 of 6	4 of 6	1 of 6	3 of 6	1 of 6				3 of 6	2 of 6	2 of 6
Running 12 Month																								
2017	6 of 6	2 of 6	4 of 6	3 of 6	2 of 6	3 of 6				6 of 6	2 of 6	3 of 6	5 of 6	6 of 6	6 of 6	3 of 6	4 of 6	3 of 6				4 of 6	6 of 6	6 of 6
2018	5 of 6	1 of 6	2 of 6	1 of 6	2 of 6	1 of 6				4 of 6	1 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	4 of 6	1 of 6				1 of 6	1 of 6	1 of 6
2019	4 of 6	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6				3 of 6	1 of 6	2 of 6	3 of 6	5 of 6	2 of 6	3 of 6	2 of 6	3 of 6				3 of 6	5 of 6	2 of 6

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Tab 14 - Segmentation Day Of Week - Current Month

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Current Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	58.2	62.4	69.2	14.4	8.0	5.9	0.0	0.0	0.6	72.6	70.4	75.7	-9.0	-5.0	3.1	85.4	31.7	-1.6	0.0	0.0	-25.0	1.3	-1.9	2.4
Monday	54.3	64.7	71.4	17.4	12.7	9.9	0.0	0.0	0.5	71.6	77.4	81.8	-18.8	-9.4	-0.6	60.5	46.9	8.5	0.0	0.0	-27.6	-7.8	-3.3	0.2
Tuesday	65.0	69.7	74.3	11.3	13.6	11.4	0.0	0.0	0.5	76.3	83.3	86.2	-11.7	-2.5	4.1	15.9	36.5	-7.4	0.0	0.0	-22.5	-8.4	2.2	2.2
Wednesday	60.7	68.8	72.2	19.5	13.5	13.1	0.0	0.0	0.5	80.2	82.4	85.9	-19.5	-9.9	-1.2	181.5	63.3	18.1	0.0	0.0	-29.2	-2.6	-2.8	1.1
Thursday	63.4	69.2	76.0	21.2	11.9	10.3	0.0	0.0	0.5	84.6	81.1	86.9	-22.5	-6.9	2.6	323.3	72.0	5.3	0.0	0.0	-25.7	-2.6	-0.2	2.7
Weekday	60.2	66.8	72.5	16.4	11.9	10.0	0.0	0.0	0.5	76.6	78.7	83.0	-16.1	-6.7	1.7	101.3	49.9	5.4	0.0	0.0	-26.1	-4.1	-1.0	1.8
Friday	69.5	75.5	81.3	11.0	9.6	8.4	0.0	0.0	0.4	80.5	85.1	90.1	-22.7	-1.2	3.7	1037.4	68.1	25.2	0.0	0.0	-45.1	-11.4	3.6	5.0
Saturday	78.5	81.5	85.0	10.3	9.8	7.7	0.0	0.0	0.5	88.8	91.3	93.1	-7.9	1.5	4.3	57.5	8.3	2.8	0.0	0.0	-35.9	-3.2	2.2	3.8
Weekend	74.0	78.5	83.1	10.6	9.7	8.0	0.0	0.0	0.5	84.6	88.2	91.6	-15.2	-0.1	3.8	162.1	28.2	12.6	0.0	0.0	-40.5	-7.4	2.4	4.1
Total	63.7	69.8	75.1	14.9	11.3	9.6	0.0	0.0	0.5	78.7	81.1	85.2	-16.4	-5.1	1.8	114.2	44.0	8.7	0.0	0.0	-29.8	-5.4	-0.4	2.2
ADR																								
Sunday	357.67	256.49	481.54	461.65	313.59	580.80	0.00	0.00	299.80	378.33	263.02	487.98	-4.8	-9.0	-7.7	4.7	3.7	-12.5	0.0	0.0	-3.7	-1.1	-7.3	-8.1
Monday	417.14	331.61	530.46	470.97	406.40	591.85	0.00	0.00	294.66	430.18	343.89	536.32	2.9	1.4	-4.7	4.8	15.1	-11.0	0.0	0.0	-10.1	4.6	4.2	-5.3
Tuesday	488.35	362.49	578.44	475.79	420.35	616.77	0.00	0.00	294.32	486.49	371.92	581.69	17.9	2.1	3.1	8.3	14.8	-3.2	0.0	0.0	-3.3	16.6	4.4	2.1
Wednesday	496.36	370.90	586.31	551.39	437.29	617.57	0.00	0.00	298.05	509.75	381.81	589.24	13.9	4.1	1.4	22.9	22.7	-5.2	0.0	0.0	-6.5	16.7	7.2	0.7
Thursday	434.69	330.18	572.43	503.47	391.02	616.07	0.00	0.00	292.98	451.91	339.09	575.94	5.3	2.1	-2.4	18.3	14.5	-0.8	0.0	0.0	-5.8	9.3	4.4	-2.1
Weekday	438.48	330.15	548.31	493.79	399.66	606.82	0.00	0.00	296.05	450.35	340.65	553.70	7.4	0.8	-2.0	11.6	15.5	-6.2	0.0	0.0	-6.1	9.4	3.4	-2.4
Friday	420.15	306.77	601.24	444.47	338.58	573.68	0.00	0.00	292.04	423.47	310.35	597.22	10.0	0.0	1.0	3.7	23.5	-5.4	0.0	0.0	-2.8	10.7	2.0	0.7
Saturday	410.10	318.37	620.60	438.76	323.45	565.33	0.00	0.00	288.02	413.42	318.92	614.32	3.5	-2.9	-0.5	-7.0	14.7	-7.5	0.0	0.0	-9.9	2.9	-1.3	-0.9
Weekend	414.82	312.79	611.14	441.71	330.92	569.68	0.00	0.00	289.90	418.20	314.79	605.92	6.4	-1.9	0.0	-5.5	18.5	-6.5	0.0	0.0	-6.8	6.4	-0.2	-0.4
Total	431.65	325.28	564.58	483.13	383.54	611.64	0.00	0.00	297.01	441.43	333.40	568.18	7.3	0.0	-1.4	8.8	18.6	-8.3	0.0	0.0	-2.5	8.8	2.5	-2.0
RevPAR																								
Sunday	208.12	160.00	333.41	66.59	25.23	34.49	0.00	0.00	1.67	274.72	185.23	369.57	-13.3	-13.5	-4.8	94.2	36.6	-14.0	0.0	0.0	-27.7	0.2	-9.0	-5.9
Monday	226.45	214.63	378.73	81.72	51.65	58.47	0.00	0.00	1.59	308.17	266.27	438.78	-16.4	-8.2	-5.2	68.2	69.0	-3.5	0.0	0.0	-34.9	-3.6	0.8	-5.2
Tuesday	317.51	252.77	429.60	53.71	57.10	70.05	0.00	0.00	1.61	371.23	309.87	501.26	4.2	-0.5	7.3	25.6	56.7	-10.4	0.0	0.0	-25.0	6.8	6.7	4.3
Wednesday	301.36	255.31	423.28	107.59	59.22	80.96	0.00	0.00	1.64	408.95	314.53	505.88	-8.3	-6.2	0.2	246.1	100.3	12.0	0.0	0.0	-33.8	13.7	4.2	1.8
Thursday	275.66	228.46	435.01	106.57	46.39	63.75	0.00	0.00	1.54	382.23	274.85	500.30	-18.4	-5.0	0.1	400.8	97.0	4.5	0.0	0.0	-30.0	6.4	4.1	0.5
Weekday	263.85	220.53	397.47	81.16	47.49	60.60	0.00	0.00	1.61	345.01	268.02	459.69	-9.9	-6.0	-0.4	124.6	73.2	-1.2	0.0	0.0	-30.6	4.9	2.3	-0.6
Friday	292.05	231.60	488.75	48.78	32.44	47.96	0.00	0.00	1.24	340.84	264.04	537.95	-15.0	-1.2	4.8	1079.7	107.6	18.4	0.0	0.0	-46.6	-1.9	5.6	5.6
Saturday	321.86	259.39	527.42	45.10	31.74	43.40	0.00	0.00	1.39	366.96	291.14	572.22	-4.7	-1.4	3.8	46.5	24.3	-4.9	0.0	0.0	-42.2	-0.4	0.9	2.9
Weekend	306.96	245.50	508.08	46.94	32.09	45.68	0.00	0.00	1.32	353.90	277.59	555.08	-9.8	-1.9	3.8	147.8	51.8	5.3	0.0	0.0	-44.5	-1.5	2.2	3.7
Total	275.14	227.16	424.17	72.17	43.33	58.54	0.00	0.00	1.59	347.31	270.49	484.31	-10.3	-5.1	0.3	133.1	70.8	-0.3	0.0	0.0	-31.5	2.9	2.2	0.1

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Tab 15 - Segmentation Day Of Week - Year to Date

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Year To Date												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	52.1	54.2	57.6	12.2	8.5	10.3	0.0	0.0	0.6	64.3	62.7	68.6	7.7	1.3	-2.0	7.5	19.8	-5.7	0.0	-100.0	-34.8	7.0	3.4	-3.0
Monday	60.8	62.6	64.1	19.0	14.0	14.1	0.0	0.0	0.6	79.8	76.6	78.8	8.6	-2.2	-2.9	0.8	26.2	-4.0	0.0	-100.0	-33.7	6.0	2.0	-3.4
Tuesday	66.6	67.8	67.8	21.3	15.2	16.0	0.0	0.0	0.6	87.8	83.0	84.3	8.1	-2.7	-1.6	-7.1	19.4	-6.2	0.0	-100.0	-34.7	3.4	0.7	-2.9
Wednesday	66.0	67.9	67.5	21.8	15.3	16.5	0.0	0.0	0.6	87.8	83.2	84.6	2.7	-3.8	-2.7	-0.8	14.3	-5.9	0.0	-100.0	-34.3	1.3	-0.9	-3.7
Thursday	60.9	63.6	65.2	19.5	14.1	14.4	0.0	0.0	0.6	80.3	77.7	80.2	0.1	-0.4	-3.2	13.8	11.9	-7.0	0.0	-100.0	-36.7	2.5	1.6	-4.3
Weekday	61.3	63.2	64.5	18.7	13.4	14.3	0.0	0.0	0.6	80.0	76.7	79.3	5.3	-1.7	-2.5	1.8	18.0	-5.7	0.0	-100.0	-34.9	3.9	1.2	-3.4
Friday	60.4	62.9	66.0	14.4	10.9	11.8	0.0	0.0	0.6	74.8	73.8	78.3	-2.9	1.7	-2.5	12.2	-4.0	-4.8	0.0	-100.0	-38.1	-1.1	0.8	-3.3
Saturday	67.0	69.6	70.3	13.3	9.7	11.2	0.0	0.0	0.6	80.3	79.3	82.1	-4.1	0.4	-2.4	18.7	-5.8	-3.8	0.0	-100.0	-34.6	-0.4	-0.5	-2.9
Weekend	63.7	66.3	68.2	13.9	10.3	11.5	0.0	0.0	0.6	77.6	76.5	80.2	-3.5	1.0	-2.4	15.2	-4.8	-4.3	0.0	-100.0	-36.3	-0.7	0.1	-3.1
Total	62.0	64.1	65.5	17.4	12.5	13.5	0.0	0.0	0.6	79.3	76.6	79.6	2.0	-1.0	-2.5	4.3	12.0	-5.5	0.0	-100.0	-32.2	2.5	0.9	-3.3
ADR																								
Sunday	336.29	241.95	413.21	367.35	313.62	489.31	0.00	0.00	305.17	342.17	251.66	423.74	-4.5	-9.1	-1.2	-1.5	1.0	-5.9	0.0	-100.0	0.5	-3.9	-7.2	-2.0
Monday	370.87	305.15	464.03	372.00	353.32	488.09	0.00	0.00	309.97	371.14	313.93	467.17	-0.5	-3.1	1.1	0.7	-3.2	-4.5	0.0	-100.0	-0.4	-0.2	-2.6	0.1
Tuesday	396.60	333.51	496.73	380.21	357.95	495.29	0.00	0.00	307.69	392.63	337.99	495.15	-2.3	-3.0	2.8	1.8	-6.4	-2.6	0.0	-100.0	1.8	-1.1	-3.3	1.8
Wednesday	392.95	333.93	498.92	389.72	355.04	492.52	0.00	0.00	303.85	392.15	337.82	496.28	-4.9	-3.5	1.1	2.7	-5.6	-2.2	0.0	-100.0	0.3	-3.1	-3.7	0.5
Thursday	368.97	291.63	467.39	380.73	332.56	473.10	0.00	0.00	304.61	371.82	299.07	467.23	-6.2	-5.7	-0.7	2.6	-4.1	-3.5	0.0	-100.0	-0.9	-4.3	-5.2	-1.1
Weekday	375.05	303.97	469.90	379.20	345.43	487.92	0.00	0.00	306.25	376.02	311.24	471.92	-3.7	-4.6	0.8	1.5	-4.2	-3.6	0.0	-100.0	0.2	-2.5	-4.2	0.0
Friday	343.65	259.56	447.93	369.55	297.80	455.10	0.00	0.00	305.44	348.65	265.19	447.98	-6.8	-6.5	-0.6	2.5	-3.6	-7.4	0.0	-100.0	1.4	-4.8	-6.2	-1.6
Saturday	335.23	268.82	449.96	364.42	292.15	456.89	0.00	0.00	303.05	340.07	271.67	449.84	-6.2	-5.3	0.2	0.6	-1.8	-7.7	0.0	-100.0	0.3	-5.0	-4.9	-0.9
Weekend	339.22	264.42	448.98	367.09	295.14	455.97	0.00	0.00	304.21	344.20	268.55	448.93	-6.5	-5.9	-0.2	1.6	-2.7	-7.5	0.0	-100.0	0.8	-4.9	-5.5	-1.2
Total	364.58	292.48	462.86	376.37	332.96	484.33	0.00	0.00	304.66	367.16	299.09	465.31	-4.3	-5.0	0.6	1.4	-3.2	-4.7	0.0	-100.0	0.7	-3.1	-4.5	-0.3
RevPAR																								
Sunday	175.23	131.18	238.07	44.69	26.64	50.59	0.00	0.00	1.85	219.92	157.82	290.51	2.8	-7.9	-3.2	5.9	21.0	-11.2	0.0	-100.0	-34.5	2.8	-4.1	-5.0
Monday	225.62	191.06	297.64	70.52	49.34	68.65	0.00	0.00	1.84	296.14	240.40	368.13	8.1	-5.2	-1.7	1.5	22.2	-8.3	0.0	-100.0	-34.0	5.8	-0.7	-3.3
Tuesday	263.94	226.07	336.56	80.86	54.51	79.26	0.00	0.00	1.79	344.79	280.58	417.61	5.7	-5.6	1.2	-5.4	11.7	-8.7	0.0	-100.0	-33.5	2.2	-2.7	-1.1
Wednesday	259.48	226.61	336.76	84.87	54.38	81.26	0.00	0.00	1.83	344.35	280.99	419.86	-2.3	-7.2	-1.7	1.9	7.9	-8.0	0.0	-100.0	-34.1	-1.8	-4.6	-3.2
Thursday	224.59	185.35	304.81	74.14	46.94	67.92	0.00	0.00	1.77	298.73	232.29	374.49	-6.1	-6.0	-3.8	16.8	7.3	-10.3	0.0	-100.0	-37.3	-1.9	-3.7	-5.3
Weekday	229.90	192.19	302.88	71.05	46.39	69.57	0.00	0.00	1.81	300.95	238.58	374.26	1.4	-6.2	-1.7	3.3	13.0	-9.1	0.0	-100.0	-34.7	1.3	-3.1	-3.4
Friday	207.50	163.28	295.76	53.31	32.37	53.49	0.00	0.00	1.73	260.81	195.64	350.97	-9.5	-5.0	-3.1	15.0	-7.4	-11.8	0.0	-100.0	-37.2	-5.9	-5.5	-4.8
Saturday	224.67	187.14	316.31	48.56	28.33	51.23	0.00	0.00	1.81	273.23	215.47	369.35	-10.1	-5.0	-2.2	19.4	-7.5	-11.2	0.0	-100.0	-34.4	-5.3	-5.4	-3.8
Weekend	216.09	175.21	306.03	50.93	30.35	52.36	0.00	0.00	1.77	267.02	205.55	360.16	-9.8	-5.0	-2.6	17.1	-7.4	-11.5	0.0	-100.0	-35.8	-5.6	-5.4	-4.3
Total	225.96	187.53	303.13	65.33	41.64	65.30	0.00	0.00	1.81	291.28	229.17	370.24	-2.4	-6.0	-1.9	5.9	8.5	-10.0	0.0	-100.0	-31.7	-0.6	-3.7	-3.7

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Tab 16 - Segmentation Day Of Week - Running 3 Month

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Running 3 Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	56.3	59.7	64.8	18.8	7.8	9.1	0.0	0.0	0.5	75.1	67.5	74.5	0.0	1.0	2.9	72.3	14.5	5.5	0.0	0.0	-43.2	10.6	2.4	2.7
Monday	56.9	65.2	68.1	22.9	14.0	13.2	0.0	0.0	0.5	79.8	79.2	81.9	-3.7	-2.1	0.8	23.8	14.9	-2.2	0.0	0.0	-47.8	1.8	0.6	-0.3
Tuesday	62.2	67.5	69.8	23.2	16.6	14.4	0.0	0.0	0.5	85.4	84.1	84.7	-2.4	-2.6	1.8	5.5	10.8	-13.9	0.0	0.0	-47.5	-1.4	-0.2	-1.8
Wednesday	61.5	67.7	69.7	25.7	18.8	16.0	0.0	0.0	0.5	87.1	86.5	86.2	-6.3	-5.6	-0.5	17.7	12.5	-8.4	0.0	0.0	-49.1	-1.3	-2.2	-2.6
Thursday	63.6	66.5	70.5	22.6	16.3	14.3	0.0	0.0	0.5	86.1	82.8	85.3	-10.8	-6.5	-2.0	36.4	7.7	-8.4	0.0	-100.0	-50.2	-3.2	-4.1	-3.6
Weekday	60.1	65.4	68.6	22.6	14.7	13.4	0.0	0.0	0.5	82.7	80.1	82.5	-4.8	-3.3	0.6	26.1	12.0	-6.7	0.0	-100.0	-47.6	1.0	-0.8	-1.2
Friday	63.9	69.9	75.1	19.2	11.5	11.4	0.0	0.0	0.5	83.1	81.4	87.0	-19.0	-4.1	1.1	46.2	11.9	-3.3	0.0	-100.0	-52.7	-10.1	-2.2	-0.1
Saturday	69.7	75.5	78.8	20.9	10.4	11.1	0.0	0.0	0.5	90.6	85.9	90.4	-13.7	-3.7	1.3	124.3	-1.4	2.7	0.0	0.0	-46.5	-0.5	-3.4	0.9
Weekend	66.8	72.7	77.0	20.0	10.9	11.3	0.0	0.0	0.5	86.8	83.6	88.7	-16.3	-3.9	1.2	79.8	5.2	-0.5	0.0	-100.0	-49.7	-5.3	-2.8	0.4
Total	62.0	67.4	70.9	21.9	13.6	12.8	0.0	0.0	0.5	83.9	81.1	84.3	-9.6	-3.5	0.8	36.0	11.1	-5.2	0.0	-100.0	-47.5	-1.0	-1.4	-0.7
ADR																								
Sunday	362.63	263.22	465.77	426.06	336.25	502.16	0.00	0.00	312.87	378.53	271.64	469.17	-5.4	-7.3	-6.6	-1.4	0.3	-9.2	0.0	0.0	-7.0	-3.2	-6.1	-6.8
Monday	408.48	332.74	516.69	422.03	385.05	520.23	0.00	0.00	311.71	412.36	341.99	515.99	-0.6	-1.1	-3.7	-3.2	-0.5	-8.8	0.0	0.0	-10.0	-1.1	-0.7	-4.4
Tuesday	452.43	372.62	560.60	446.10	396.64	548.07	0.00	0.00	313.88	450.72	377.36	557.00	0.9	-1.0	-1.7	0.7	-2.8	-4.3	0.0	0.0	-5.9	0.9	-1.2	-2.0
Wednesday	458.44	381.00	576.71	447.28	404.62	541.56	0.00	0.00	315.23	455.15	386.12	568.69	-1.8	-1.6	-3.7	0.8	-2.5	-3.8	0.0	0.0	-6.3	-1.3	-1.6	-3.4
Thursday	421.08	334.41	554.11	436.95	382.29	514.62	0.00	0.00	306.95	425.24	343.83	546.10	-3.6	-4.2	-6.0	2.3	-3.4	-4.8	0.0	-100.0	-9.4	-2.2	-3.8	-5.5
Weekday	422.37	339.16	536.28	436.49	387.05	527.98	0.00	0.00	312.20	426.23	347.96	533.57	-1.9	-2.7	-4.2	-0.2	-2.1	-5.8	0.0	-100.0	-7.8	-1.4	-2.3	-4.3
Friday	395.85	298.32	540.60	426.95	327.07	487.29	0.00	0.00	308.45	403.04	302.38	532.35	-3.7	-4.3	-6.0	-2.1	-0.7	-7.1	0.0	-100.0	-7.1	-1.4	-3.7	-5.8
Saturday	390.70	314.03	550.93	417.82	312.26	479.51	0.00	0.00	309.39	396.96	313.81	540.81	-2.5	-4.1	-4.8	-6.9	3.3	-7.7	0.0	0.0	-8.6	-2.1	-3.2	-4.9
Weekend	393.16	306.48	545.89	422.19	320.06	483.46	0.00	0.00	308.93	399.87	308.25	536.66	-3.1	-4.2	-5.3	-4.4	1.4	-7.4	0.0	-100.0	-7.9	-1.8	-3.5	-5.4
Total	413.54	329.19	537.89	432.63	371.95	524.40	0.00	0.00	312.04	418.52	336.38	534.49	-1.9	-3.1	-4.3	-1.3	-1.3	-7.4	0.0	-100.0	-6.2	-1.4	-2.6	-4.6
RevPAR																								
Sunday	204.01	157.12	301.87	80.16	26.18	45.82	0.00	0.00	1.61	284.17	183.30	349.30	-5.3	-6.4	-3.9	69.8	14.8	-4.2	0.0	0.0	-47.2	7.0	-3.8	-4.3
Monday	232.43	216.83	351.98	96.49	53.89	68.83	0.00	0.00	1.58	328.92	270.72	422.40	-4.4	-3.2	-2.9	19.9	14.4	-10.8	0.0	0.0	-53.0	0.7	-0.1	-4.7
Tuesday	281.62	251.54	391.14	103.37	65.86	79.19	0.00	0.00	1.57	384.98	317.40	471.90	-1.4	-3.6	0.0	6.3	7.6	-17.6	0.0	0.0	-50.6	-0.5	-1.4	-3.8
Wednesday	281.75	258.03	401.97	114.85	75.90	86.40	0.00	0.00	1.57	396.60	333.93	489.94	-8.0	-7.1	-4.2	18.6	9.7	-11.8	0.0	0.0	-52.3	-2.6	-3.7	-5.9
Thursday	267.71	222.39	390.79	98.61	62.25	73.74	0.00	0.00	1.47	366.31	284.64	466.00	-14.0	-10.5	-7.8	39.6	4.1	-12.8	0.0	-100.0	-54.9	-5.3	-7.7	-9.0
Weekday	253.93	221.64	367.91	98.77	56.95	70.92	0.00	0.00	1.56	352.69	278.60	440.39	-6.6	-5.9	-3.7	25.8	9.6	-12.1	0.0	-100.0	-51.7	-0.4	-3.1	-5.5
Friday	252.83	208.58	406.15	81.93	37.64	55.78	0.00	0.00	1.43	334.77	246.22	463.36	-21.9	-8.2	-5.0	43.1	11.2	-10.2	0.0	-100.0	-56.1	-11.4	-5.8	-6.0
Saturday	272.16	237.14	434.07	87.35	32.32	53.35	0.00	0.00	1.54	359.51	269.46	488.95	-15.9	-7.6	-3.6	108.9	1.9	-5.3	0.0	0.0	-51.1	-2.6	-6.5	-4.0
Weekend	262.50	222.86	420.11	84.64	34.98	54.56	0.00	0.00	1.49	347.14	257.84	476.16	-18.9	-7.9	-4.3	72.0	6.7	-7.9	0.0	-100.0	-53.7	-7.0	-6.2	-5.0
Total	256.42	222.01	381.59	94.70	50.72	67.33	0.00	0.00	1.57	351.12	272.73	450.50	-11.3	-6.6	-3.6	34.3	9.7	-12.2	0.0	-100.0	-50.8	-2.4	-3.9	-5.3

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Tab 17 - Segmentation Day Of Week - Running 12 Month

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Running 12 Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	52.1	54.2	57.6	12.2	8.5	10.3	0.0	0.0	0.6	64.3	62.7	68.6	7.7	1.3	-2.0	7.5	19.8	-5.7	0.0	-100.0	-34.8	7.0	3.4	-3.0
Monday	60.8	62.6	64.1	19.0	14.0	14.1	0.0	0.0	0.6	79.8	76.6	78.8	8.6	-2.2	-2.9	0.8	26.2	-4.0	0.0	-100.0	-33.7	6.0	2.0	-3.4
Tuesday	66.6	67.8	67.8	21.3	15.2	16.0	0.0	0.0	0.6	87.8	83.0	84.3	8.1	-2.7	-1.6	-7.1	19.4	-6.2	0.0	-100.0	-34.7	3.4	0.7	-2.9
Wednesday	66.0	67.9	67.5	21.8	15.3	16.5	0.0	0.0	0.6	87.8	83.2	84.6	2.7	-3.8	-2.7	-0.8	14.3	-5.9	0.0	-100.0	-34.3	1.3	-0.9	-3.7
Thursday	60.9	63.6	65.2	19.5	14.1	14.4	0.0	0.0	0.6	80.3	77.7	80.2	0.1	-0.4	-3.2	13.8	11.9	-7.0	0.0	-100.0	-36.7	2.5	1.6	-4.3
Weekday	61.3	63.2	64.5	18.7	13.4	14.3	0.0	0.0	0.6	80.0	76.7	79.3	5.3	-1.7	-2.5	1.8	18.0	-5.7	0.0	-100.0	-34.9	3.9	1.2	-3.4
Friday	60.4	62.9	66.0	14.4	10.9	11.8	0.0	0.0	0.6	74.8	73.8	78.3	-2.9	1.7	-2.5	12.2	-4.0	-4.8	0.0	-100.0	-38.1	-1.1	0.8	-3.3
Saturday	67.0	69.6	70.3	13.3	9.7	11.2	0.0	0.0	0.6	80.3	79.3	82.1	-4.1	0.4	-2.4	18.7	-5.8	-3.8	0.0	-100.0	-34.6	-0.4	-0.5	-2.9
Weekend	63.7	66.3	68.2	13.9	10.3	11.5	0.0	0.0	0.6	77.6	76.5	80.2	-3.5	1.0	-2.4	15.2	-4.8	-4.3	0.0	-100.0	-36.3	-0.7	0.1	-3.1
Total	62.0	64.1	65.5	17.4	12.5	13.5	0.0	0.0	0.6	79.3	76.6	79.6	2.0	-1.0	-2.5	4.3	12.0	-5.5	0.0	-100.0	-32.2	2.5	0.9	-3.3
ADR																								
Sunday	336.29	241.95	413.21	367.35	313.62	489.31	0.00	0.00	305.17	342.17	251.66	423.74	-4.5	-9.1	-1.2	-1.5	1.0	-5.9	0.0	-100.0	0.5	-3.9	-7.2	-2.0
Monday	370.87	305.15	464.03	372.00	353.32	488.09	0.00	0.00	309.97	371.14	313.93	467.17	-0.5	-3.1	1.1	0.7	-3.2	-4.5	0.0	-100.0	-0.4	-0.2	-2.6	0.1
Tuesday	396.60	333.51	496.73	380.21	357.95	495.29	0.00	0.00	307.69	392.63	337.99	495.15	-2.3	-3.0	2.8	1.8	-6.4	-2.6	0.0	-100.0	1.8	-1.1	-3.3	1.8
Wednesday	392.95	333.93	498.92	389.72	355.04	492.52	0.00	0.00	303.85	392.15	337.82	496.28	-4.9	-3.5	1.1	2.7	-5.6	-2.2	0.0	-100.0	0.3	-3.1	-3.7	0.5
Thursday	368.97	291.63	467.39	380.73	332.56	473.10	0.00	0.00	304.61	371.82	299.07	467.23	-6.2	-5.7	-0.7	2.6	-4.1	-3.5	0.0	-100.0	-0.9	-4.3	-5.2	-1.1
Weekday	375.05	303.97	469.90	379.20	345.43	487.92	0.00	0.00	306.25	376.02	311.24	471.92	-3.7	-4.6	0.8	1.5	-4.2	-3.6	0.0	-100.0	0.2	-2.5	-4.2	0.0
Friday	343.65	259.56	447.93	369.55	297.80	455.10	0.00	0.00	305.44	348.65	265.19	447.98	-6.8	-6.5	-0.6	2.5	-3.6	-7.4	0.0	-100.0	1.4	-4.8	-6.2	-1.6
Saturday	335.23	268.82	449.96	364.42	292.15	456.89	0.00	0.00	303.05	340.07	271.67	449.84	-6.2	-5.3	0.2	0.6	-1.8	-7.7	0.0	-100.0	0.3	-5.0	-4.9	-0.9
Weekend	339.22	264.42	448.98	367.09	295.14	455.97	0.00	0.00	304.21	344.20	268.55	448.93	-6.5	-5.9	-0.2	1.6	-2.7	-7.5	0.0	-100.0	0.8	-4.9	-5.5	-1.2
Total	364.58	292.48	462.86	376.37	332.96	484.33	0.00	0.00	304.66	367.16	299.09	465.31	-4.3	-5.0	0.6	1.4	-3.2	-4.7	0.0	-100.0	0.7	-3.1	-4.5	-0.3
RevPAR																								
Sunday	175.23	131.18	238.07	44.69	26.64	50.59	0.00	0.00	1.85	219.92	157.82	290.51	2.8	-7.9	-3.2	5.9	21.0	-11.2	0.0	-100.0	-34.5	2.8	-4.1	-5.0
Monday	225.62	191.06	297.64	70.52	49.34	68.65	0.00	0.00	1.84	296.14	240.40	368.13	8.1	-5.2	-1.7	1.5	22.2	-8.3	0.0	-100.0	-34.0	5.8	-0.7	-3.3
Tuesday	263.94	226.07	336.56	80.86	54.51	79.26	0.00	0.00	1.79	344.79	280.58	417.61	5.7	-5.6	1.2	-5.4	11.7	-8.7	0.0	-100.0	-33.5	2.2	-2.7	-1.1
Wednesday	259.48	226.61	336.76	84.87	54.38	81.26	0.00	0.00	1.83	344.35	280.99	419.86	-2.3	-7.2	-1.7	1.9	7.9	-8.0	0.0	-100.0	-34.1	-1.8	-4.6	-3.2
Thursday	224.59	185.35	304.81	74.14	46.94	67.92	0.00	0.00	1.77	298.73	232.29	374.49	-6.1	-6.0	-3.8	16.8	7.3	-10.3	0.0	-100.0	-37.3	-1.9	-3.7	-5.3
Weekday	229.90	192.19	302.88	71.05	46.39	69.57	0.00	0.00	1.81	300.95	238.58	374.26	1.4	-6.2	-1.7	3.3	13.0	-9.1	0.0	-100.0	-34.7	1.3	-3.1	-3.4
Friday	207.50	163.28	295.76	53.31	32.37	53.49	0.00	0.00	1.73	260.81	195.64	350.97	-9.5	-5.0	-3.1	15.0	-7.4	-11.8	0.0	-100.0	-37.2	-5.9	-5.5	-4.8
Saturday	224.67	187.14	316.31	48.56	28.33	51.23	0.00	0.00	1.81	273.23	215.47	369.35	-10.1	-5.0	-2.2	19.4	-7.5	-11.2	0.0	-100.0	-34.4	-5.3	-5.4	-3.8
Weekend	216.09	175.21	306.03	50.93	30.35	52.36	0.00	0.00	1.77	267.02	205.55	360.16	-9.8	-5.0	-2.6	17.1	-7.4	-11.5	0.0	-100.0	-35.8	-5.6	-5.4	-4.3
Total	225.96	187.53	303.13	65.33	41.64	65.30	0.00	0.00	1.81	291.28	229.17	370.24	-2.4	-6.0	-1.9	5.9	8.5	-10.0	0.0	-100.0	-31.7	-0.6	-3.7	-3.7

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Tab 18 - Additional Revenue RevPAR Analysis (TrevPAR)

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		Revenue Per Rooms Available												Percent Change (%)										Ranking			
		Room			F&B			Other			Total (TrevPAR**)			Room			F&B			Other			Total (TrevPAR**)				
Current Month		My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop vs. Comp Set			
																										Room	F&B	Other	Total
2018	Jul	237.90	210.64	112.94	2.69	35.81	7.51	31.07	2.88	1079.75	271.66	249.33	108.96	14.1	-17.7	38.6	-11.0	-42.9	55.8	26.8	-69.1	310.4	15.1	-24.0	51.3	2 of 6	3 of 6	1 of 6	2 of 6
	Aug	226.38	202.23	111.94	3.39	40.34	8.41	29.17	1.74	1672.25	258.94	244.31	105.99	12.7	-16.3	34.7	38.3	-16.8	66.2	30.7	-81.8	619.2	14.8	-18.5	40.8	2 of 6	3 of 6	1 of 6	2 of 6
	Sep	364.35	289.48	125.86	4.16	47.19	8.81	39.30	2.88	1365.35	407.81	339.55	120.10	4.8	-17.7	27.3		-53.5			-81.4			-27.6		1 of 6	3 of 6	1 of 6	2 of 6
	Oct	408.92	327.21	124.97	4.63	53.95	8.58	40.64	5.56	731.49	454.19	386.72	117.45	10.8	-8.3	20.8	17.2	-53.2	150.3	58.2	-57.6	273.4	13.9	-20.3	42.9	1 of 6	3 of 6	1 of 6	2 of 6
	Nov	331.55	259.08	127.97	4.30	54.73	7.86	40.26	7.32	549.63	376.11	321.13	117.12	4.9	-16.8	26.1	31.9	-50.1	164.2	56.0	-30.2	123.5	9.0	-25.6	46.4	1 of 6	3 of 6	1 of 6	2 of 6
	Dec	337.68	264.74	127.55	4.22	60.99	6.92	37.35	5.29	706.60	379.25	331.01	114.57	8.1	-12.8	24.0	24.7	-45.5	128.8	20.5	-55.0	167.4	9.4	-22.5	41.2	1 of 6	3 of 6	1 of 6	2 of 6
2019	Jan	173.70	125.01	138.95	2.95	33.57	8.79	28.78	7.85	366.50	205.44	166.43	123.43	6.3	-22.5	37.3	0.2	-35.4	55.2	27.8	52.2	-16.0	8.8	-23.8	42.8	1 of 6	3 of 6	2 of 6	2 of 6
	Feb	219.71	148.17	148.29	3.91	26.22	14.92	35.94	5.26	683.51	259.56	179.64	144.49	3.0	-16.6	23.5	11.3	-50.9	126.6	189.9	-22.3	273.1	13.2	-24.4	49.9	1 of 6	3 of 6	1 of 6	2 of 6
	Mar	253.01	190.52	132.80	3.73	48.78	7.65	46.02	5.46	842.64	302.76	244.76	123.69	3.9	-13.9	20.7	19.0	334.6	-72.6	82.6	295.4	-53.8	11.4	4.7	6.5	1 of 6	3 of 6	1 of 6	2 of 6
	Apr	298.76	244.94	121.97	3.54	51.51	6.87	48.13	5.92	812.80	350.43	302.37	115.89	-0.4	14.7	-13.2	-5.9	369.1	-79.9	61.9	487.7	-72.4	5.1	34.1	-21.6	2 of 6	3 of 6	1 of 6	2 of 6
	May	330.53	273.31	120.94	3.96	60.17	6.58	27.38	8.55	320.22	361.86	342.03	105.80	-2.3	4.2	-6.2	14.4	400.4	-77.1	-19.3	236.5	-76.0	-3.6	23.5	-22.0	2 of 6	3 of 6	1 of 6	2 of 6
	Jun	302.16	253.73	119.08	3.72	50.71	7.33	30.11	6.25	481.98	335.98	310.69	108.14	-6.5	-3.1	-3.5	-2.8	77.0	-45.1	-7.1	183.4	-67.2	-6.5	6.1	-11.9	2 of 6	3 of 6	1 of 6	2 of 6
	Jul	248.65	205.36	121.08	2.84	30.91	9.19	33.40	5.54	602.60	284.90	241.82	117.82	4.5	-2.5	7.2	5.7	-13.7	22.5	7.5	92.6	-44.2	4.9	-3.0	8.1	2 of 6	3 of 6	1 of 6	2 of 6
	Aug	239.51	195.23	122.68	3.10	34.48	8.98	30.94	13.67	226.32	273.54	243.39	112.39	5.8	-3.5	9.6	-8.7	-14.5	6.8	6.1	683.7	-86.5	5.6	-0.4	6.0	2 of 6	3 of 6	2 of 6	2 of 6
	Sep	373.52	292.46	127.72	4.10	43.74	9.38	35.69	5.79	616.38	413.31	341.99	120.85	2.5	1.0	1.5	-1.3	-7.3	6.5	-9.2	101.1	-54.9	1.3	0.7	0.6	1 of 6	3 of 6	1 of 6	2 of 6
	Oct	376.44	294.06	128.02	3.58	44.92	7.97	37.61	5.33	705.93	417.64	344.30	121.30	-7.9	-10.1	2.4	-22.7	-16.7	-7.1	-7.4	-4.1	-3.5	-8.0	-11.0	3.3	1 of 6	3 of 6	1 of 6	2 of 6
	Nov	328.91	253.01	130.00	3.16	53.98	5.86	59.22	5.33	1111.86	391.29	312.32	125.28	-0.8	-2.3	1.6	-26.4	-1.4	-25.4	47.1	-27.3	102.3	4.0	-2.7	7.0	1 of 6	3 of 6	1 of 6	2 of 6
	Dec	347.31	270.49	128.40	3.43	69.09	4.96	43.71	8.11	538.74	394.45	347.70	113.45	2.9	2.2	0.7	-18.8	13.3	-28.3	17.1	53.5	-23.8	4.0	5.0	-1.0	1 of 6	3 of 6	1 of 6	2 of 6
Running 3 Month																													
2017		331.83	324.10	102.38	3.53	112.26	3.14	27.58	11.79	233.82	362.93	448.16	80.98	12.9	3.0	9.6	-1.7	14.3	-14.0	642.4	48.7	399.2	20.4	6.5	13.1	2 of 6	4 of 6	1 of 6	3 of 6
2018		359.69	283.94	126.68	4.39	56.58	7.75	39.40	6.04	652.26	403.48	346.56	116.42	8.4	-12.4	23.7	24.4	-49.6	146.8	42.9	-48.8	179.0	11.2	-22.7	43.8	1 of 6	3 of 6	1 of 6	2 of 6
2019		351.12	272.73	128.74	3.39	56.02	6.06	46.71	6.27	745.49	401.23	335.02	119.76	-2.4	-3.9	1.6	-22.6	-1.0	-21.9	18.6	3.7	14.3	-0.6	-3.3	2.9	1 of 6	3 of 6	1 of 6	2 of 6
Running 3 Month																													
2017		272.08	278.03	97.86	3.29	91.64	3.59	22.78	10.39	219.26	293.35	380.07	77.18	-6.2	2.8	-8.8	-3.6	10.7	-12.9	560.9	10.4	498.7	-1.2	4.8	-5.8	3 of 6	5 of 6	1 of 6	4 of 6
2018		293.13	237.90	123.21	3.68	38.35	9.60	31.56	3.71	851.40	328.37	279.96	117.29	7.7	-14.4	25.9	12.0	-58.2	167.6	38.5	-64.3	288.3	11.9	-26.3	52.0	1 of 6	4 of 6	1 of 6	2 of 6
2019		291.28	229.17	127.11	3.50	45.79	7.64	38.04	6.95	547.51	332.82	281.90	118.06	-0.6	-3.7	3.2	-5.0	19.4	-20.4	20.5	87.5	-35.7	1.4	0.7	0.7	2 of 6	3 of 6	1 of 6	2 of 6
Running 12 Month																													
2017		272.08	278.03	97.86	3.29	91.64	3.59	22.78	10.39	219.26	293.35	380.07	77.18	-6.2	2.8	-8.8	-3.6	10.7	-12.9	560.9	10.4	498.7	-1.2	4.8	-5.8	3 of 6	5 of 6	1 of 6	4 of 6
2018		293.13	237.90	123.21	3.68	38.35	9.60	31.56	3.71	851.40	328.37	279.96	117.29	7.7	-14.4	25.9	12.0	-58.2	167.6	38.5	-64.3	288.3	11.9	-26.3	52.0	1 of 6	4 of 6	1 of 6	2 of 6
2019		291.28	229.17	127.11	3.50	45.79	7.64	38.04	6.95	547.51	332.82	281.90	118.06	-0.6	-3.7	3.2	-5.0	19.4	-20.4	20.5	87.5	-35.7	1.4	0.7	0.7	2 of 6	3 of 6	1 of 6	2 of 6

** TrevPAR = Total revenue per available room (sum of Room, F&B, and Other revenue divided by total available rooms).

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Source: 2020 STR, Inc. / STR Global, Ltd. trading as "STR".

Tab 19 - Segmentation Response Report

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020

This Year

Dec 23rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas Day
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

Last Year

Dec 3rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

December 2019 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December 2018 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
63754	Thompson Hotels The Beekman Hotel	New York, NY	10038-2206	(212) 233-2300	287	201609
38508	Thompson Hotels Gild Hall	New York, NY	10038-4803	(212) 232-7700	130	199906
39692	The Roxy Hotel Tribeca	New York, NY	10013-2401	(212) 519-6600	201	200005
39975	The Wagner at the Battery	New York, NY	10004-1001	(212) 344-0800	298	200201
57573	AKA Tribeca	New York, NY	10007-1019	(212) 587-7000	100	200902
58268	Andaz Wall Street	New York, NY	10005-2833	(212) 590-1234	253	201001
					1269	

2018												2019											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B			B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B

Data received:

s = Segmentation (Transient, Group, Contract) Only
r = Additional Revenue Only
B = Both Segmentation & Additional Revenue

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Tab 20 - Monthly Performance at a Glance - My Property vs. Competitive Set - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

December 2019

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	78.7	85.8	91.7	441.43	455.47	96.9	347.31	390.70	88.9
Year To Date	79.3	84.6	93.8	367.16	394.12	93.2	291.28	333.38	87.4
December LYTD	78.7	85.8	91.7	441.43	455.47	96.9	347.31	390.70	88.9
Running 3 Month	83.9	87.4	96.0	418.52	445.79	93.9	351.12	389.70	90.1
Running 12 Month	79.3	84.6	93.8	367.16	394.12	93.2	291.28	333.38	87.4

December 2019 vs. 2018 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-5.4	2.8	-8.0	8.8	3.8	4.8	2.9	6.8	-3.7
Year To Date	2.5	1.6	1.0	-3.1	-1.3	-1.8	-0.6	0.2	-0.9
December LYTD	-5.4	2.8	-8.0	8.8	3.8	4.8	2.9	6.8	-3.7
Running 3 Month	-1.0	2.0	-2.9	-1.4	-1.6	0.2	-2.4	0.4	-2.8
Running 12 Month	2.5	1.6	1.0	-3.1	-1.3	-1.8	-0.6	0.2	-0.9

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Tab 21 - STAR Summary - My Property vs. Comp Set and Industry Segments - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Occupancy (%)

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Thompson Hotels The Beekman Hotel	78.7	-5.4	79.3	2.5	83.9	-1.0	79.3	2.5
Market: New York, NY	88.5	1.2	86.2	-1.1	88.7	-0.4	86.2	-1.1
Market Class: Luxury Class	85.0	3.1	79.6	-2.3	84.5	0.3	79.6	-2.3
Submarket: Financial District, NY	86.6	0.3	84.1	-0.1	87.4	2.2	84.1	-0.1
Submarket Scale: Upscale Chains	86.2	-1.3	83.2	-1.8	87.3	1.1	83.2	-1.8
Competitive Set: Competitors	85.8	2.8	84.6	1.6	87.4	2.0	84.6	1.6

Supply

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	0.7	3.9	0.7	3.9
Market: New York, NY	4.5	3.8	4.3	3.8
Market Class: Luxury Class	3.0	2.7	3.0	2.7
Submarket: Financial District, NY	1.8	8.0	2.4	8.0
Submarket Scale: Upscale Chains	0.0	3.0	0.0	3.0
Competitive Set: Competitors	0.5	0.7	0.5	0.7

Average Daily Rate

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Thompson Hotels The Beekman Hotel	441.43	8.8	367.16	-3.1	418.52	-1.4	367.16	-3.1
Market: New York, NY	303.24	0.0	255.16	-2.4	289.80	-3.7	255.16	-2.4
Market Class: Luxury Class	579.32	-1.2	478.00	-1.3	549.62	-3.6	478.00	-1.3
Submarket: Financial District, NY	285.06	3.1	256.93	-4.0	285.80	-3.2	256.93	-4.0
Submarket Scale: Upscale Chains	300.54	3.2	275.69	-2.7	303.95	-2.8	275.69	-2.7
Competitive Set: Competitors	455.47	3.8	394.12	-1.3	445.79	-1.6	394.12	-1.3

Demand

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	-4.8	6.6	-0.3	6.6
Market: New York, NY	5.8	2.6	3.8	2.6
Market Class: Luxury Class	6.2	0.4	3.2	0.4
Submarket: Financial District, NY	2.1	7.8	4.6	7.8
Submarket Scale: Upscale Chains	-1.3	1.2	1.1	1.2
Competitive Set: Competitors	3.3	2.2	2.5	2.2

RevPAR

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Thompson Hotels The Beekman Hotel	347.31	2.9	291.28	-0.6	351.12	-2.4	291.28	-0.6
Market: New York, NY	268.39	1.2	220.06	-3.5	256.92	-4.1	220.06	-3.5
Market Class: Luxury Class	492.45	1.9	380.46	-3.6	464.61	-3.4	380.46	-3.6
Submarket: Financial District, NY	246.83	3.4	216.18	-4.1	249.78	-1.0	216.18	-4.1
Submarket Scale: Upscale Chains	258.96	1.8	229.42	-4.4	265.50	-1.8	229.42	-4.4
Competitive Set: Competitors	390.70	6.8	333.38	0.2	389.70	0.4	333.38	0.2

Revenue

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	3.6	3.3	-1.7	3.3
Market: New York, NY	5.8	0.2	0.0	0.2
Market Class: Luxury Class	4.9	-0.9	-0.5	-0.9
Submarket: Financial District, NY	5.3	3.6	1.3	3.6
Submarket Scale: Upscale Chains	1.8	-1.5	-1.8	-1.5
Competitive Set: Competitors	7.3	0.9	0.9	0.9

Census/Sample - Properties & Rooms

	Census		Sample		Sample %
	Properties	Rooms	Properties	Rooms	Rooms
Market: New York, NY	703	127732	503	111080	87.0
Market Class: Luxury Class	62	15968	60	15781	98.8
Submarket: Financial District, NY	39	8427	31	7254	86.1
Submarket Scale: Upscale Chains	20	5497	18	5022	91.4
Competitive Set: Competitors	7	1666	7	1666	100.0

Pipeline

Market: New York, NY

Under Construction		Planning	
Properties	Rooms	Properties	Rooms
86	12933	51	8309

See Help page for pipeline definitions.

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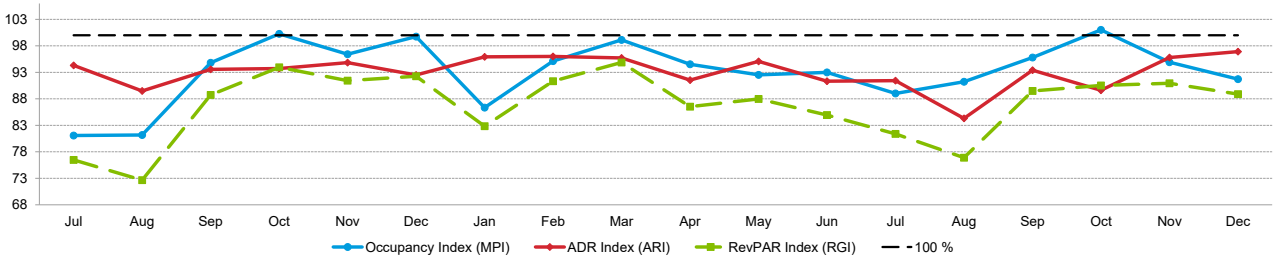
Tab 22 - Competitive Set Report - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

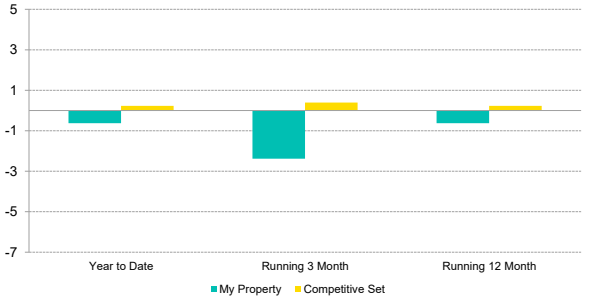
STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Monthly Indexes



RevPAR Percent Change



Occupancy (%)	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	68.0	71.8	82.6	90.3	80.5	83.2	60.6	73.7	80.2	82.5	80.4	81.5	75.7	80.4	85.3	90.7	82.3	78.7	73.3	77.4	79.3	81.4	84.7	83.9	73.3	77.4	79.3
Competitive Set	83.9	88.5	87.1	90.0	83.5	83.4	70.2	77.5	80.9	87.2	86.8	87.6	85.1	88.1	89.1	89.8	86.7	85.8	82.8	83.3	84.6	86.7	85.7	87.4	82.8	83.3	84.6
Index (MPI)	81.1	81.2	94.8	100.3	96.4	99.8	86.3	95.1	99.1	94.5	92.5	93.0	89.0	91.2	95.8	101.0	94.9	91.7	88.6	92.9	93.8	93.9	98.9	96.0	88.6	92.9	93.8
Rank	8 of 8	8 of 8	7 of 8	5 of 8	7 of 8	7 of 8	7 of 8	7 of 8	5 of 8	7 of 8	7 of 8	7 of 8	7 of 8	8 of 8	5 of 8	5 of 8	7 of 8	8 of 8	7 of 8	6 of 8	7 of 8	7 of 8	7 of 8	6 of 8	7 of 8	6 of 8	7 of 8
% Chg																											
My Property	5.6	5.0	4.5	6.4	0.1	5.3	9.2	8.2	7.6	0.4	-4.7	-2.5	11.3	12.0	3.3	0.5	2.2	-5.4	2.6	5.5	2.5	10.6	4.1	-1.0	2.6	5.5	2.5
Competitive Set	-1.8	3.1	-2.3	0.9	-3.9	-0.5	7.1	3.8	-4.2	3.5	-0.4	1.5	1.4	-0.4	2.2	-0.3	3.8	2.8	0.4	0.6	1.6	6.7	-1.2	2.0	0.4	0.6	1.6
Index (MPI)	7.6	1.8	7.0	5.5	4.2	5.9	1.9	4.2	12.3	-3.0	-4.3	-3.9	9.8	12.4	1.0	0.8	-1.6	-8.0	2.2	4.9	1.0	3.7	5.3	-2.9	2.2	4.9	1.0
Rank	1 of 8	4 of 8	1 of 8	2 of 8	3 of 8	2 of 8	3 of 8	2 of 8	2 of 8	5 of 8	8 of 8	6 of 8	2 of 8	1 of 8	3 of 8	3 of 8	3 of 8	5 of 8	3 of 8	1 of 8	3 of 8	3 of 8	2 of 8	4 of 8	3 of 8	1 of 8	3 of 8

ADR	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	349.70	315.26	441.06	453.02	411.67	405.85	286.65	297.96	315.66	362.35	411.29	370.91	328.33	297.90	437.73	415.12	399.76	441.43	371.02	378.86	367.16	407.87	424.59	418.52	371.02	378.86	367.16
Competitive Set	370.73	352.25	471.33	483.38	434.07	438.74	298.81	310.34	329.79	395.85	432.62	406.07	359.13	353.34	468.58	463.20	417.27	455.47	384.68	399.33	394.12	430.65	453.06	445.79	384.68	399.33	394.12
Index (ARI)	94.3	89.5	93.6	93.7	94.8	92.5	95.9	96.0	95.7	91.5	95.1	91.3	91.4	84.3	93.4	89.6	95.8	96.9	96.5	94.9	93.2	94.7	93.7	93.9	96.5	94.9	93.2
Rank	4 of 8	6 of 8	5 of 8	5 of 8	5 of 8	5 of 8	4 of 8	4 of 8	4 of 8	5 of 8	4 of 8	6 of 8	4 of 8	7 of 8	6 of 8	6 of 8	5 of 8	4 of 8	5 of 8	4 of 8	4 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	4 of 8	4 of 8
% Chg																											
My Property	8.0	7.4	0.2	4.1	4.8	2.7	-2.6	-4.8	-3.4	-0.8	2.6	-4.1	-6.1	-5.5	-0.8	-8.4	-2.9	8.8	-8.5	2.1	-3.1	2.0	4.1	-1.4	-8.5	2.1	-3.1
Competitive Set	6.4	5.3	3.4	7.8	4.6	2.6	-4.7	-1.5	-3.3	2.8	0.0	-2.1	-3.1	0.3	-0.6	-4.2	-3.9	3.8	-3.2	3.8	-1.3	-2.5	5.2	-1.6	-3.2	3.8	-1.3
Index (ARI)	1.5	2.0	-3.1	-3.4	0.2	0.0	2.1	-3.3	-0.1	-3.5	2.6	-2.1	-3.1	-5.8	-0.2	-4.4	1.0	4.8	-5.5	-1.6	-1.8	4.6	-1.0	0.2	-5.5	-1.6	-1.8
Rank	3 of 8	2 of 8	4 of 8	5 of 8	3 of 8	4 of 8	4 of 8	5 of 8	5 of 8	6 of 8	3 of 8	6 of 8	7 of 8	8 of 8	4 of 8	6 of 8	5 of 8	2 of 8	7 of 8	3 of 8	7 of 8	2 of 8	3 of 8	6 of 8	7 of 8	3 of 8	7 of 8

RevPAR	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	237.90	226.38	364.35	408.92	331.55	337.68	173.70	219.71	253.01	298.76	330.53	302.16	248.65	239.51	373.52	376.44	328.91	347.31	272.08	293.13	291.28	331.83	359.69	351.12	272.08	293.13	291.28
Competitive Set	311.04	311.57	410.61	435.20	362.56	365.95	209.70	240.58	266.70	345.30	375.71	355.75	305.56	311.43	417.39	415.81	361.70	390.70	318.52	332.61	333.38	373.27	388.18	389.70	318.52	332.61	333.38
Index (RGI)	76.5	72.7	88.7	94.0	91.4	92.3	82.8	91.3	94.9	86.5	88.0	84.9	81.4	76.9	89.5	90.5	90.9	88.9	85.4	88.1	87.4	88.9	92.7	90.1	85.4	88.1	87.4
Rank	7 of 8	8 of 8	6 of 8	6 of 8	6 of 8	5 of 8	6 of 8	6 of 8	6 of 8	6 of 8	6 of 8	7 of 8	7 of 8	7 of 8	6 of 8	6 of 8	5 of 8	5 of 8	7 of 8	6 of 8	6 of 8	6 of 8	6 of 8	5 of 8	7 of 8	6 of 8	6 of 8
% Chg																											
My Property	14.1	12.7	4.8	10.8	4.9	8.1	6.3	3.0	3.9	-0.4	-2.3	-6.5	4.5	5.8	2.5	-7.9	-0.8	2.9	-6.2	7.7	-0.6	12.9	8.4	-2.4	-6.2	7.7	-0.6
Competitive Set	4.5	8.5	1.1	8.7	0.5	2.1	2.1	2.2	-7.3	6.4	-0.4	-0.6	-1.8	0.0	1.7	-4.5	-0.2	6.8	-2.8	4.4	0.2	4.0	4.0	0.4	-2.8	4.4	0.2
Index (RGI)	9.2	3.9	3.7	1.9	4.4	5.9	4.1	0.8	12.1	-6.4	-1.8	-5.9	6.4	5.8	0.9	-3.7	-0.6	-3.7	-3.5	3.2	-0.9	8.5	4.2	-2.8	-3.5	3.2	-0.9
Rank	2 of 8	3 of 8	2 of 8	2 of 8	2 of 8	2 of 8	3 of 8	4 of 8	1 of 8	7 of 8	6 of 8	7 of 8	1 of 8	3 of 8	5 of 8	4 of 8	2 of 8	3 of 8	7 of 8	2 of 8	3 of 8	1 of 8	1 of 8	3 of 8	7 of 8	2 of 8	3 of 8

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Tab 23 - Response Report - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020

This Year

Dec 23rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas Day
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

Last Year

Dec 3rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

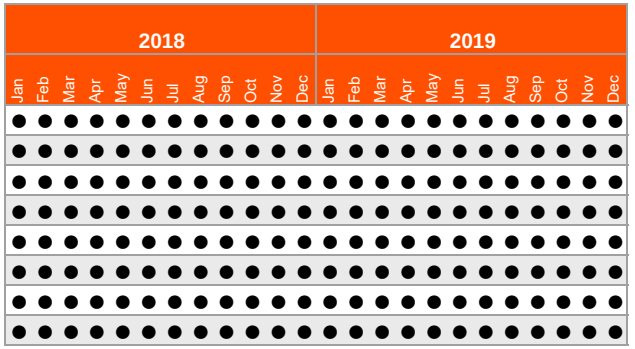
December 2019 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December 2018 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
63754	Thompson Hotels The Beekman Hotel	New York, NY	10038-2206	(212) 233-2300	287	201609
20228	Gramercy Park Hotel	New York, NY	10010-5405	(212) 475-4320	190	192406
58086	W Hotel New York Downtown	New York, NY	10006-1001	(646) 826-8600	217	201008
58102	The Standard High Line	New York, NY	10014-1308	(212) 645-4646	338	200812
59549	The NoMad Hotel	New York, NY	10001-7507	(212) 796-1500	168	201204
60240	The Dominick	New York, NY	10013-1521	(212) 842-5500	390	201004
60404	The James New York Soho	New York, NY	10013-1618	(212) 465-2000	114	201009
60676	Royalton Park Avenue Hotel	New York, NY	10016-8403	(212) 317-2900	249	201008
					1953	



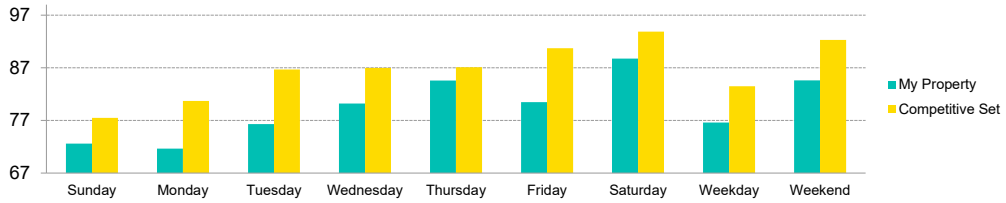
Data received:
○ = Monthly Only
● = Monthly & Daily

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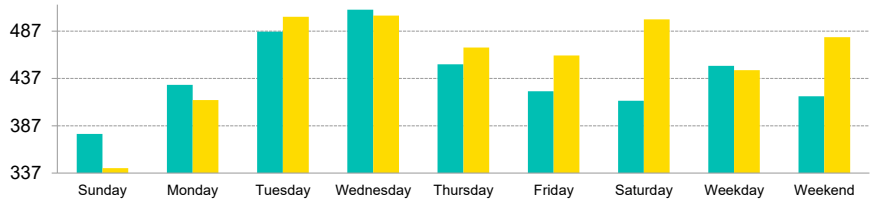
Tab 24 - Day of Week and Weekday/Weekend Report - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Current Month Occupancy



Current Month ADR



		Occupancy (%)						Average Daily Rate						RevPAR					
		My Property		Competitive Set		Index (MPI)		My Property		Competitive Set		Index (ARI)		My Property		Competitive Set		Index (RGI)	
Day of Week	Time Period		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg
Sunday	Current Month	72.6	1.3	77.5	3.0	93.7	-1.7	378.33	-1.1	342.25	-6.9	110.5	6.3	274.72	0.2	265.21	-4.1	103.6	4.5
	Year To Date	64.3	7.0	72.9	2.6	88.1	4.3	342.17	-3.9	317.68	-6.9	107.7	3.2	219.92	2.8	231.70	-4.5	94.9	7.7
	Running 3 Month	75.1	10.6	78.3	6.0	95.9	4.3	378.53	-3.2	341.12	-8.3	111.0	5.5	284.17	7.0	267.12	-2.8	106.4	10.1
	Running 12 Month	64.3	7.0	72.9	2.6	88.1	4.3	342.17	-3.9	317.68	-6.9	107.7	3.2	219.92	2.8	231.70	-4.5	94.9	7.7
Monday	Current Month	71.6	-7.8	80.7	-1.1	88.8	-6.8	430.18	4.6	414.22	-4.7	103.9	9.7	308.17	-3.6	334.35	-5.7	92.2	2.3
	Year To Date	79.8	6.0	83.3	2.0	95.8	4.0	371.14	-0.2	390.98	-1.1	94.9	0.9	296.14	5.8	325.60	0.9	91.0	4.9
	Running 3 Month	79.8	1.8	83.7	1.2	95.3	0.6	412.36	-1.1	422.90	-2.6	97.5	1.6	328.92	0.7	354.10	-1.5	92.9	2.2
	Running 12 Month	79.8	6.0	83.3	2.0	95.8	4.0	371.14	-0.2	390.98	-1.1	94.9	0.9	296.14	5.8	325.60	0.9	91.0	4.9
Tuesday	Current Month	76.3	-8.4	86.7	6.2	88.0	-13.8	486.49	16.6	502.17	5.9	96.9	10.1	371.23	6.8	435.23	12.5	85.3	-5.0
	Year To Date	87.8	3.4	89.1	1.7	98.6	1.7	392.63	-1.1	439.81	2.6	89.3	-3.6	344.79	2.2	391.84	4.3	88.0	-2.0
	Running 3 Month	85.4	-1.4	88.3	2.4	96.7	-3.7	450.72	0.9	493.53	2.1	91.3	-1.2	384.98	-0.5	435.96	4.5	88.3	-4.9
	Running 12 Month	87.8	3.4	89.1	1.7	98.6	1.7	392.63	-1.1	439.81	2.6	89.3	-3.6	344.79	2.2	391.84	4.3	88.0	-2.0
Wednesday	Current Month	80.2	-2.6	87.0	2.9	92.2	-5.4	509.75	16.7	503.54	6.7	101.2	9.4	408.95	13.7	437.95	9.8	93.4	3.5
	Year To Date	87.8	1.3	89.3	0.2	98.4	1.1	392.15	-3.1	437.88	0.8	89.6	-3.9	344.35	-1.8	390.90	1.0	88.1	-2.8
	Running 3 Month	87.1	-1.3	89.5	1.0	97.3	-2.4	455.15	-1.3	496.37	0.8	91.7	-2.0	396.60	-2.6	444.40	1.8	89.2	-4.3
	Running 12 Month	87.8	1.3	89.3	0.2	98.4	1.1	392.15	-3.1	437.88	0.8	89.6	-3.9	344.35	-1.8	390.90	1.0	88.1	-2.8
Thursday	Current Month	84.6	-2.6	87.1	3.2	97.1	-5.7	451.91	9.3	469.60	7.5	96.2	1.6	382.23	6.4	409.13	11.0	93.4	-4.1
	Year To Date	80.3	2.5	85.7	1.2	93.8	1.3	371.82	-4.3	393.15	-3.1	94.6	-1.2	298.73	-1.9	336.81	-2.0	88.7	0.0
	Running 3 Month	86.1	-3.2	89.1	-0.2	96.7	-3.0	425.24	-2.2	448.97	-3.6	94.7	1.4	366.31	-5.3	400.14	-3.8	91.5	-1.6
	Running 12 Month	80.3	2.5	85.7	1.2	93.8	1.3	371.82	-4.3	393.15	-3.1	94.6	-1.2	298.73	-1.9	336.81	-2.0	88.7	0.0
Friday	Current Month	80.5	-11.4	90.7	5.4	88.7	-16.0	423.47	10.7	461.31	7.3	91.8	3.2	340.84	-1.9	418.46	13.0	81.5	-13.3
	Year To Date	74.8	-1.1	84.0	2.2	89.0	-3.3	348.65	-4.8	370.78	-3.3	94.0	-1.6	260.81	-5.9	311.49	-1.1	83.7	-4.9
	Running 3 Month	83.1	-10.1	90.8	2.8	91.5	-12.5	403.04	-1.4	434.70	-2.3	92.7	0.8	334.77	-11.4	394.53	0.5	84.9	-11.8
	Running 12 Month	74.8	-1.1	84.0	2.2	89.0	-3.3	348.65	-4.8	370.78	-3.3	94.0	-1.6	260.81	-5.9	311.49	-1.1	83.7	-4.9
Saturday	Current Month	88.8	-3.2	93.9	3.1	94.6	-6.1	413.42	2.9	499.46	8.8	82.8	-5.4	366.96	-0.4	468.87	12.2	78.3	-11.2
	Year To Date	80.3	-0.4	87.8	1.1	91.5	-1.5	340.07	-5.0	392.11	-0.4	86.7	-4.5	273.23	-5.3	344.20	0.7	79.4	-6.0
	Running 3 Month	90.6	-0.5	92.1	1.3	98.4	-1.8	396.96	-2.1	464.99	-0.2	85.4	-2.0	359.51	-2.6	428.12	1.1	84.0	-3.7
	Running 12 Month	80.3	-0.4	87.8	1.1	91.5	-1.5	340.07	-5.0	392.11	-0.4	86.7	-4.5	273.23	-5.3	344.20	0.7	79.4	-6.0
Weekday/Weekend																			
Weekday	Current Month	76.6	-4.1	83.5	2.9	91.7	-6.7	450.35	9.4	445.77	2.4	101.0	6.8	345.01	4.9	372.27	5.3	92.7	-0.4
(Sun-Thu)	Year To Date	80.0	3.9	84.1	1.5	95.2	2.3	376.02	-2.5	399.18	-1.1	94.2	-1.4	300.95	1.3	335.59	0.4	89.7	0.9
	Running 3 Month	82.7	1.0	85.8	2.0	96.4	-1.0	426.23	-1.4	444.05	-1.8	96.0	0.4	352.69	-0.4	381.19	0.2	92.5	-0.7
	Running 12 Month	80.0	3.9	84.1	1.5	95.2	2.3	376.02	-2.5	399.18	-1.1	94.2	-1.4	300.95	1.3	335.59	0.4	89.7	0.9
Weekend	Current Month	84.6	-7.4	92.3	3.9	91.7	-10.8	418.20	6.4	480.71	7.7	87.0	-1.2	353.90	-1.5	443.66	11.8	79.8	-11.9
(Fri-Sat)	Year To Date	77.6	-0.7	85.9	1.7	90.3	-2.4	344.20	-4.9	381.68	-1.8	90.2	-3.1	267.02	-5.6	327.85	-0.2	81.4	-5.4
	Running 3 Month	86.8	-5.3	91.4	2.0	95.0	-7.2	399.87	-1.8	449.95	-1.2	88.9	-0.6	347.14	-7.0	411.32	0.8	84.4	-7.8
	Running 12 Month	77.6	-0.7	85.9	1.7	90.3	-2.4	344.20	-4.9	381.68	-1.8	90.2	-3.1	267.02	-5.6	327.85	-0.2	81.4	-5.4
Total	Current Month	78.7	-5.4	85.8	2.8	91.7	-8.0	441.43	8.8	455.47	3.8	96.9	4.8	347.31	2.9	390.70	6.8	88.9	-3.7
	Year To Date	79.3	2.5	84.6	1.6	93.8	1.0	367.16	-3.1	394.12	-1.3	93.2	-1.8	291.28	-0.6	333.38	0.2	87.4	-0.9
	Running 3 Month	83.9	-1.0	87.4	2.0	96.0	-2.9	418.52	-1.4	445.79	-1.6	93.9	0.2	351.12	-2.4	389.70	0.4	90.1	-2.8
	Running 12 Month	79.3	2.5	84.6	1.6	93.8	1.0	367.16	-3.1	394.12	-1.3	93.2	-1.8	291.28	-0.6	333.38	0.2	87.4	-0.9

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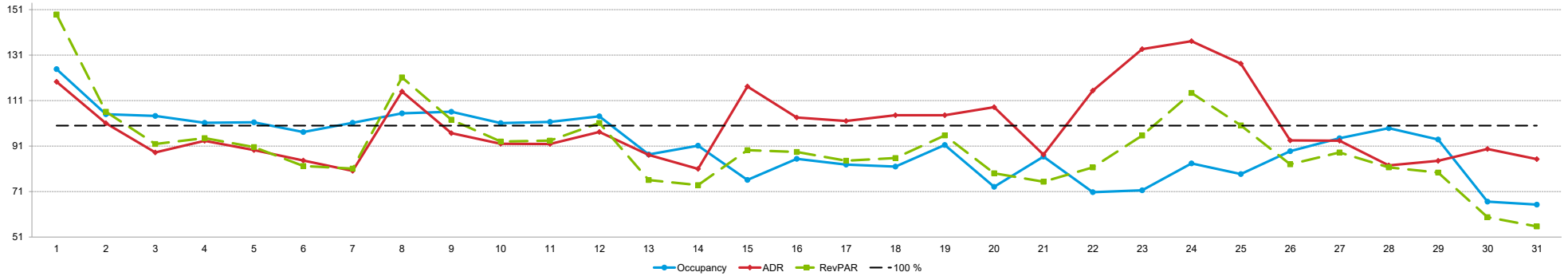
Tab 25 - Daily Data for the Month - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Daily Competitive Set Data Excludes Subject Property

Daily Indexes for the Month of December



Occupancy (%)	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu
December	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	86.8	89.9	96.9	98.3	98.6	93.4	96.9	84.0	97.6	99.3	99.3	99.0	81.9	88.2	63.4	77.7	73.9	69.7	67.6	57.5	76.7	50.9	44.3	53.0	53.7	73.2	89.2	93.4	78.0	48.8	58.5
Competitive Set	69.5	85.6	92.9	97.1	97.2	96.1	95.7	79.7	92.0	98.2	97.7	95.1	93.8	96.7	83.3	91.0	89.1	85.0	73.9	78.6	88.8	71.9	61.8	63.5	68.2	82.4	94.4	94.4	83.1	73.3	89.7
Index (MPI)	124.8	105.0	104.2	101.2	101.5	97.2	101.2	105.4	106.1	101.1	101.6	104.1	87.3	91.2	76.1	85.4	82.9	82.0	91.5	73.1	86.3	70.7	71.6	83.4	78.7	88.8	94.5	98.9	93.9	66.6	65.3
Rank	1 of 8	3 of 8	3 of 8	4 of 8	3 of 8	7 of 8	4 of 8	3 of 8	3 of 8	4 of 8	3 of 8	2 of 8	8 of 8	8 of 8	8 of 8	8 of 8	8 of 8	8 of 8	5 of 8	8 of 8	7 of 8	8 of 8	7 of 8	7 of 8	7 of 8	6 of 8	7 of 8	6 of 8	6 of 8	7 of 8	8 of 8
% Chg																															
My Property	7.5	-4.8	-1.8	-0.3	1.5	-2.2	1.9	0.6	4.9	6.4	6.4	2.6	-14.2	-10.0	3.9	11.3	8.5	16.1	4.1	-30.0	-7.4	-31.5	-41.9	-27.8	-30.8	-17.6	-1.5	11.8	32.4	-11.4	85.4
Competitive Set	-16.9	-7.1	-0.8	2.9	6.2	3.8	0.8	13.7	12.1	8.8	6.3	5.3	4.5	5.5	11.1	12.0	6.4	11.7	11.8	7.7	2.6	6.4	-1.6	8.0	-9.8	-8.1	6.1	5.5	4.1	-18.4	39.2
Index (MPI)	29.3	2.5	-1.0	-3.1	-4.5	-5.7	1.1	-11.5	-6.4	-2.2	0.1	-2.6	-17.9	-14.7	-6.5	-0.6	2.0	4.0	-6.8	-35.0	-9.7	-35.6	-40.9	-33.1	-23.2	-10.3	-7.2	6.0	27.2	8.5	33.1
Rank	1 of 8	4 of 8	6 of 8	5 of 8	4 of 8	7 of 8	3 of 8	5 of 8	5 of 8	2 of 8	2 of 8	3 of 8	8 of 8	8 of 8	6 of 8	4 of 8	2 of 8	2 of 8	5 of 8	8 of 8	5 of 8	8 of 8	8 of 8	8 of 8	8 of 8	6 of 8	6 of 8	2 of 8	2 of 8	3 of 8	2 of 8

ADR	December	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property		406.48	463.07	522.12	587.46	520.63	484.27	478.68	425.68	507.28	612.08	605.64	535.47	436.76	417.02	375.45	345.79	360.83	358.75	343.31	369.94	351.82	347.90	383.97	393.59	377.36	340.63	377.73	388.40	313.23	382.67	448.07
Competitive Set		340.81	458.34	592.10	629.38	583.45	572.01	597.56	370.25	524.58	665.41	658.95	550.82	501.39	514.87	320.33	333.92	353.59	343.09	328.30	342.18	403.32	301.51	287.32	287.01	296.60	364.36	404.53	470.69	370.67	426.44	525.44
Index (ARI)		119.3	101.0	88.2	93.3	89.2	84.7	80.1	115.0	96.7	92.0	91.9	97.2	87.1	81.0	117.2	103.6	102.0	104.6	104.6	108.1	87.2	115.4	133.6	137.1	127.2	93.5	93.4	82.5	84.5	89.7	85.3
Rank		3 of 8	5 of 8	7 of 8	6 of 8	7 of 8	6 of 8	7 of 8	4 of 8	4 of 8	7 of 8	7 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	5 of 8	4 of 8	4 of 8	4 of 8	4 of 8	4 of 8	3 of 8	3 of 8	3 of 8	4 of 8	5 of 8	7 of 8	5 of 8	4 of 8	6 of 8
% Chg																															
My Property		-10.3	-7.7	-0.8	5.2	2.7	3.7	4.3	7.3	11.5	27.8	23.1	16.5	14.5	9.1	9.3	3.5	23.4	23.9	14.0	28.3	16.8	15.1	23.2	28.8	15.0	-0.4	-0.2	-1.5	-22.9	-8.1	24.4
Competitive Set		-19.8	-14.9	-8.8	-2.0	4.0	9.7	14.4	-1.1	13.9	25.3	23.0	17.6	15.7	14.4	5.0	5.2	9.5	11.5	10.8	6.0	19.0	-3.2	-4.4	-11.2	-14.7	-4.6	-3.6	4.5	-9.3	-15.2	70.4
Index (ARI)		11.8	8.5	8.8	7.4	-1.3	-5.5	-8.8	8.5	-2.0	2.0	0.1	-1.0	-1.0	-4.6	4.1	-1.6	12.8	11.1	2.9	21.0	-1.9	18.9	28.9	45.0	34.7	4.4	3.6	-5.7	-15.0	8.3	-27.0
Rank		2 of 8	2 of 8	3 of 8	2 of 8	5 of 8	6 of 8	8 of 8	4 of 8	5 of 8	4 of 8	4 of 8	5 of 8	4 of 8	5 of 8	4 of 8	5 of 8	3 of 8	2 of 8	4 of 8	1 of 8	2 of 8	2 of 8	1 of 8	1 of 8	1 of 8	1 of 8	2 of 8	6 of 8	8 of 8	4 of 8	8 of 8

RevPAR	December	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property		352.66	416.28	505.74	577.23	513.37	452.21	463.67	357.45	494.90	607.82	601.41	529.87	357.62	367.62	238.09	268.68	266.54	250.00	232.06	212.68	269.69	176.98	169.91	208.45	202.49	249.24	336.93	362.69	244.47	186.67	262.28
Competitive Set		236.89	392.31	550.16	610.87	566.99	549.69	571.73	294.91	482.39	653.42	643.92	523.71	470.10	497.88	266.87	303.86	315.18	291.61	242.58	269.06	358.05	216.82	177.63	182.27	202.24	300.28	381.94	444.41	308.15	312.53	471.19
Index (RGI)		148.9	106.1	91.9	94.5	90.5	82.3	81.1	121.2	102.6	93.0	93.4	101.2	76.1	73.8	89.2	88.4	84.6	85.7	95.7	79.0	75.3	81.6	95.7	114.4	100.1	83.0	88.2	81.6	79.3	59.7	55.7
Rank		1 of 8	3 of 8	7 of 8	6 of 8	6 of 8	6 of 8	7 of 8	2 of 8	3 of 8	7 of 8	7 of 8	4 of 8	7 of 8	7 of 8	5 of 8	7 of 8	7 of 8	5 of 8	4 of 8	5 of 8	6 of 8	7 of 8	4 of 8	3 of 8	4 of 8	5 of 8	4 of 8	6 of 8	6 of 8	7 of 8	8 of 8
% Chg																															
My Property		-3.6	-12.1	-2.6	4.9	4.2	1.4	6.2	7.9	17.0	36.0	31.0	19.4	-1.7	-1.7	13.5	15.1	33.9	43.8	18.8	-10.2	8.1	-21.1	-28.4	-7.0	-20.4	-17.9	-1.6	10.1	2.1	-18.7	130.5
Competitive Set		-33.3	-21.0	-9.6	0.8	10.5	13.9	15.3	12.4	27.6	36.4	30.8	23.8	20.9	20.7	16.6	17.8	16.5	24.5	23.9	14.3	22.1	3.0	-6.0	-4.1	-23.1	-12.4	2.3	10.2	-5.6	-30.8	137.3
Index (RGI)		44.5	11.2	7.7	4.0	-5.7	-10.9	-7.9	-4.0	-8.3	-0.3	0.2	-3.5	-18.7	-18.6	-2.7	-2.2	15.0	15.6	-4.1	-21.4	-11.4	-23.4	-23.9	-3.1	3.4	-6.3	-3.8	-0.1	8.1	17.6	-2.9
Rank		1 of 8	3 of 8	4 of 8	3 of 8	5 of 8	6 of 8	7 of 8	5 of 8	6 of 8	5 of 8	5 of 8	5 of 8	7 of 8	8 of 8	5 of 8	5 of 8	3 of 8	2 of 8	3 of 8	6 of 8	4 of 8	7 of 8	7 of 8	4 of 8	5 of 8	4 of 8	5 of 8	3 of 8	3 of 8	2 of 8	5 of 8

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Tab 26 - Segmentation at a Glance - My Property vs. Competitive Set - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

December 2019

	Transient			Group			Contract			Total		
			% Chg			% Chg			% Chg			% Chg
Occupancy (%)	My Property	63.7	-16.4	My Property	14.9	114.2	My Property	0.0	0.0	My Property	78.7	-5.4
	Comp set	80.6	2.8	Comp set	5.2	3.0	Comp set	0.0	0.0	Comp set	85.8	2.8
	Index (MPI)	79.1	-18.7	Index (MPI)	286.7	108.1	Index (MPI)	0.0	0.0	Index (MPI)	91.7	-8.0
ADR	My Property	431.65	7.3	My Property	483.13	8.8	My Property	0.00	0.0	My Property	441.43	8.8
	Comp set	454.98	3.8	Comp set	463.14	4.8	Comp set	0.00	0.0	Comp set	455.47	3.8
	Index (ARI)	94.9	3.4	Index (ARI)	104.3	3.8	Index (ARI)	0.0	0.0	Index (ARI)	96.9	4.8
RevPAR	My Property	275.14	-10.3	My Property	72.17	133.1	My Property	0.00	0.0	My Property	347.31	2.9
	Comp set	366.57	6.7	Comp set	24.13	7.9	Comp set	0.00	0.0	Comp set	390.70	6.8
	Index (RGI)	75.1	-15.9	Index (RGI)	299.1	116.0	Index (RGI)	0.0	0.0	Index (RGI)	88.9	-3.7

Year To Date

	Transient			Group			Contract			Total		
			% Chg			% Chg			% Chg			% Chg
Occupancy (%)	My Property	62.0	2.0	My Property	17.4	4.3	My Property	0.0	0.0	My Property	79.3	2.5
	Comp set	77.2	1.8	Comp set	7.4	-0.5	Comp set	0.0	0.0	Comp set	84.6	1.6
	Index (MPI)	80.3	0.3	Index (MPI)	234.9	4.9	Index (MPI)	0.0	0.0	Index (MPI)	93.8	1.0
ADR	My Property	364.58	-4.3	My Property	376.37	1.4	My Property	0.00	0.0	My Property	367.16	-3.1
	Comp set	394.88	-1.7	Comp set	386.20	3.3	Comp set	223.50	0.0	Comp set	394.12	-1.3
	Index (ARI)	92.3	-2.6	Index (ARI)	97.5	-1.8	Index (ARI)	0.0	0.0	Index (ARI)	93.2	-1.8
RevPAR	My Property	225.96	-2.4	My Property	65.33	5.9	My Property	0.00	0.0	My Property	291.28	-0.6
	Comp set	304.84	0.0	Comp set	28.54	2.7	Comp set	0.00	0.0	Comp set	333.38	0.2
	Index (RGI)	74.1	-2.4	Index (RGI)	228.9	3.0	Index (RGI)	0.0	0.0	Index (RGI)	87.4	-0.9

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Tab 27 - Segmentation Occupancy Analysis - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Occupancy (%)												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018 Jul	50.8	79.0	70.0	17.2	4.9	11.6	0.0	0.0	1.6	68.0	83.9	83.2	6.8	0.3	-2.3	2.3	-26.8	-11.1	0.0	0.0	624.1	5.6	-1.8	-2.0
Aug	61.9	80.3	70.0	9.9	8.2	12.6	0.0	0.0	1.3	71.8	88.5	83.9	7.7	0.0	-1.3	-9.3	48.9	4.6	0.0	0.0	935.2	5.0	3.1	0.9
Sep	61.9	79.1	60.9	20.7	8.0	21.5	0.0	0.0	1.4	82.6	87.1	83.8	1.6	-2.3	-5.1	14.4	-2.4	-8.9	0.0	0.0	1876.7	4.5	-2.3	-4.6
Oct	67.2	79.2	68.9	23.1	10.8	17.6	0.0	0.0	1.2	90.3	90.0	87.6	13.6	-4.0	-1.9	-10.1	60.1	4.2	0.0	0.0	1437.0	6.4	0.9	0.5
Nov	62.3	76.8	68.5	18.3	6.8	14.3	0.0	0.0	1.0	80.5	83.5	83.7	-6.7	-3.8	-2.9	32.9	-5.1	-7.4	0.0	0.0	1369.9	0.1	-3.9	-2.6
Dec	76.2	78.3	73.8	7.0	5.1	8.8	0.0	0.0	0.8	83.2	83.4	83.4	4.8	-1.6	-5.2	11.1	20.8	-5.9	0.0	0.0	1352.2	5.3	-0.5	-4.4
2019 Jan	42.5	63.8	55.3	18.1	6.4	10.0	0.0	0.0	0.8	60.6	70.2	66.2	-13.6	3.4	-10.7	185.5	68.4	-3.0	0.0	0.0	1124.5	9.2	7.1	-8.6
Feb	54.9	69.5	57.5	18.8	8.1	10.1	0.0	0.0	0.8	73.7	77.5	68.4	16.6	4.8	-8.7	-10.7	-3.9	-12.0	0.0	0.0	927.3	8.2	3.8	-8.3
Mar	65.7	73.5	60.3	14.5	7.4	13.1	0.0	0.0	0.7	80.2	80.9	74.1	13.0	-1.5	-7.8	-11.4	-24.6	-26.9	0.0	0.0	878.9	7.6	-4.2	-11.1
Apr	71.3	78.7	66.0	11.1	8.6	12.9	0.0	0.0	0.6	82.5	87.2	79.5	12.9	3.9	-3.8	-41.4	-0.1	-10.9	0.0	0.0	-26.4	0.4	3.5	-5.2
May	61.9	77.5	66.0	18.5	9.3	15.1	0.0	0.0	0.6	80.4	86.8	81.7	-2.8	-2.3	-2.4	-10.7	18.2	-1.1	0.0	0.0	-41.7	-4.7	-0.4	-2.6
Jun	62.8	81.5	67.8	18.7	6.1	14.3	0.0	0.0	0.6	81.5	87.6	82.7	-1.2	2.9	0.7	-6.5	-14.3	-9.0	0.0	0.0	-58.2	-2.5	1.5	-2.1
Jul	56.6	79.7	67.4	19.2	5.4	13.8	0.0	0.0	0.5	75.7	85.1	81.7	11.3	0.9	-3.8	11.3	10.3	19.2	0.0	0.0	-65.8	11.3	1.4	-1.8
Aug	71.1	82.9	68.4	9.3	5.2	12.6	0.0	0.0	0.5	80.4	88.1	81.5	15.0	3.3	-2.3	-6.8	-35.9	0.3	0.0	0.0	-63.0	12.0	-0.4	-2.9
Sep	70.8	80.8	62.8	14.6	8.3	21.0	0.0	0.0	0.5	85.3	89.1	84.3	14.3	2.0	3.1	-29.7	4.3	-2.5	0.0	0.0	-62.4	3.3	2.2	0.6
Oct	70.3	80.3	69.3	20.4	9.5	15.4	0.0	0.0	0.5	90.7	89.8	85.1	4.7	1.3	0.6	-11.8	-12.2	-12.6	0.0	0.0	-58.8	0.5	-0.3	-2.8
Nov	51.6	77.3	68.3	30.7	9.4	13.6	0.0	0.0	0.5	82.3	86.7	82.4	-17.1	0.7	-0.2	67.7	38.5	-4.8	0.0	0.0	-47.9	2.2	3.8	-1.5
Dec	63.7	80.6	75.1	14.9	5.2	9.6	0.0	0.0	0.5	78.7	85.8	85.2	-16.4	2.8	1.8	114.2	3.0	8.7	0.0	0.0	-29.8	-5.4	2.8	2.2
Year To Date																								
2017	58.2	75.8	66.8	15.1	7.0	14.5	0.0	0.0	0.1	73.3	82.8	81.4	-1.2	2.3	2.6	20.2	-16.9	-2.9	0.0	0.0	-46.4	2.6	0.4	1.5
2018	60.7	75.9	67.2	16.6	7.4	14.3	0.0	0.0	0.9	77.4	83.3	82.3	4.3	0.1	0.5	10.1	6.3	-1.7	0.0	0.0	704.8	5.5	0.6	1.1
2019	62.0	77.2	65.5	17.4	7.4	13.5	0.0	0.0	0.6	79.3	84.6	79.6	2.0	1.8	-2.5	4.3	-0.5	-5.5	0.0	0.0	-32.2	2.5	1.6	-3.3
Running 3 Month																								
2017	66.4	80.7	72.8	15.0	6.0	13.9	0.0	0.0	0.1	81.4	86.7	86.8	11.4	9.9	7.2	7.3	-23.4	-4.7	0.0	0.0	-62.3	10.6	6.7	5.0
2018	68.6	78.1	70.4	16.1	7.5	13.5	0.0	0.0	1.0	84.7	85.7	84.9	3.4	-3.1	-3.3	7.3	25.6	-2.6	0.0	0.0	1389.2	4.1	-1.2	-2.2
2019	62.0	79.4	70.9	21.9	8.0	12.8	0.0	0.0	0.5	83.9	87.4	84.3	-9.6	1.6	0.8	36.0	6.0	-5.2	0.0	0.0	-47.5	-1.0	2.0	-0.7
Running 12 Month																								
2017	58.2	75.8	66.8	15.1	7.0	14.5	0.0	0.0	0.1	73.3	82.8	81.4	-1.2	2.3	2.6	20.2	-16.9	-2.9	0.0	0.0	-46.4	2.6	0.4	1.5
2018	60.7	75.9	67.2	16.6	7.4	14.3	0.0	0.0	0.9	77.4	83.3	82.3	4.3	0.1	0.5	10.1	6.3	-1.7	0.0	0.0	704.8	5.5	0.6	1.1
2019	62.0	77.2	65.5	17.4	7.4	13.5	0.0	0.0	0.6	79.3	84.6	79.6	2.0	1.8	-2.5	4.3	-0.5	-5.5	0.0	0.0	-32.2	2.5	1.6	-3.3

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Tab 28 - Segmentation ADR Analysis - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		Average Daily Rate												Percent Change (%)									
		Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month		My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018	Jul	355.44	372.43	402.30	332.79	343.05	438.77	0.00	0.00	295.52	349.70	370.73	405.32	9.4	6.2	8.0	3.9	6.5	3.1	0.0	0.0	5.3	8.0	6.4	6.6
	Aug	321.08	356.52	394.12	279.10	310.25	396.86	0.00	0.00	292.27	315.26	352.25	393.00	6.4	6.1	6.7	11.4	-1.9	16.6	0.0	0.0	8.6	7.4	5.3	7.7
	Sep	451.89	472.83	542.69	408.67	456.41	761.05	0.00	0.00	303.30	441.06	471.33	594.83	2.8	3.6	3.9	-7.3	1.5	7.5	0.0	0.0	34.3	0.2	3.4	4.0
	Oct	463.17	490.71	558.43	423.49	429.54	535.79	0.00	0.00	346.30	453.02	483.38	551.06	7.5	9.5	8.8	-4.8	-5.1	10.8	0.0	0.0	34.3	4.1	7.8	8.6
	Nov	398.98	435.96	554.98	454.89	412.67	540.86	0.00	0.00	338.35	411.67	434.07	550.11	4.9	4.8	10.7	0.3	2.6	12.6	0.0	0.0	85.4	4.8	4.6	10.6
	Dec	402.35	438.53	572.55	444.05	441.96	666.95	0.00	0.00	304.51	405.85	438.74	580.06	1.5	2.9	10.2	16.3	-3.2	11.6	0.0	0.0	38.5	2.7	2.6	9.9
2019	Jan	297.74	302.02	352.14	260.63	266.74	340.33	0.00	153.00	294.06	286.65	298.81	349.64	-0.1	-3.6	5.3	-2.4	-16.2	5.4	0.0	0.0	-8.2	-2.6	-4.7	5.1
	Feb	300.02	310.59	355.17	291.94	308.15	351.57	0.00	0.00	270.65	297.96	310.34	353.68	-7.6	-2.7	4.5	1.8	8.8	8.2	0.0	0.0	-15.2	-4.8	-1.5	4.7
	Mar	304.69	329.41	401.63	365.45	333.60	402.59	0.00	0.00	277.42	315.66	329.79	400.57	-9.5	-3.9	1.5	25.1	2.0	-28.4	0.0	0.0	-16.8	-3.4	-3.3	-7.1
	Apr	364.78	397.00	466.01	346.73	385.26	463.51	0.00	294.00	304.36	362.35	395.85	464.30	0.7	1.8	5.5	-7.5	13.0	4.1	0.0	0.0	7.9	-0.8	2.8	5.4
	May	395.16	429.17	500.60	465.39	461.29	511.16	0.00	0.00	310.97	411.29	432.62	501.18	-3.2	-1.2	-0.5	23.2	11.3	8.2	0.0	0.0	13.0	2.6	0.0	1.3
	Jun	370.04	408.30	466.84	373.84	376.41	449.55	0.00	0.00	319.91	370.91	406.07	462.80	-3.0	-1.9	-1.5	-7.4	-4.9	-0.4	0.0	0.0	11.5	-4.1	-2.1	-0.8
	Jul	333.59	361.52	410.47	312.80	323.56	377.92	0.00	0.00	335.88	328.33	359.13	404.47	-6.1	-2.9	2.0	-6.0	-5.7	-13.9	0.0	0.0	13.7	-6.1	-3.1	-0.2
	Aug	304.65	355.77	391.52	246.12	314.89	359.12	0.00	0.00	331.11	297.90	353.34	386.15	-5.1	-0.2	-0.7	-11.8	1.5	-9.5	0.0	0.0	13.3	-5.5	0.3	-1.7
	Sep	433.28	468.92	532.75	459.38	465.26	745.64	0.00	0.00	302.63	437.73	468.58	584.30	-4.1	-0.8	-1.8	12.4	1.9	-2.0	0.0	0.0	-0.2	-0.8	-0.6	-1.8
	Oct	407.18	465.14	529.54	442.53	446.75	497.21	0.00	0.00	318.45	415.12	463.20	522.51	-12.1	-5.2	-5.2	4.5	4.0	-7.2	0.0	0.0	-8.0	-8.4	-4.2	-5.2
	Nov	399.38	418.55	516.33	400.39	406.63	492.72	0.00	0.00	322.39	399.76	417.27	511.27	0.1	-4.0	-7.0	-12.0	-1.5	-8.9	0.0	0.0	-4.7	-2.9	-3.9	-7.1
	Dec	431.65	454.98	564.58	483.13	463.14	611.64	0.00	0.00	297.01	441.43	455.47	568.18	7.3	3.8	-1.4	8.8	4.8	-8.3	0.0	0.0	-2.5	8.8	3.8	-2.0
Year To Date																									
2017		369.62	386.12	433.25	376.43	369.01	464.47	0.00	0.00	277.44	371.02	384.68	438.61	-9.6	-3.5	0.4	-3.7	-0.6	-2.2	0.0	0.0	-50.3	-8.5	-3.2	-0.3
2018		381.01	401.81	460.17	371.02	374.00	508.32	0.00	0.00	302.63	378.86	399.33	466.83	3.1	4.1	6.2	-1.4	1.4	9.4	0.0	0.0	9.1	2.1	3.8	6.4
2019		364.58	394.88	462.86	376.37	386.20	484.33	0.00	223.50	304.66	367.16	394.12	465.31	-4.3	-1.7	0.6	1.4	3.3	-4.7	0.0	0.0	0.7	-3.1	-1.3	-0.3
Running 3 Month																									
2017		400.96	430.38	511.73	438.43	434.19	507.89	0.00	0.00	222.74	407.87	430.65	510.90	-0.4	-3.3	1.8	13.0	5.4	0.1	0.0	0.0	-59.7	2.0	-2.5	1.4
2018		421.42	455.53	562.32	438.12	427.42	566.26	0.00	0.00	332.56	424.59	453.06	560.35	5.1	5.8	9.9	-0.1	-1.6	11.5	0.0	0.0	49.3	4.1	5.2	9.7
2019		413.54	446.88	537.89	432.63	435.04	524.40	0.00	0.00	312.04	418.52	445.79	534.49	-1.9	-1.9	-4.3	-1.3	1.8	-7.4	0.0	0.0	-6.2	-1.4	-1.6	-4.6
Running 12 Month																									
2017		369.62	386.12	433.25	376.43	369.01	464.47	0.00	0.00	277.44	371.02	384.68	438.61	-9.6	-3.5	0.4	-3.7	-0.6	-2.2	0.0	0.0	-50.3	-8.5	-3.2	-0.3
2018		381.01	401.81	460.17	371.02	374.00	508.32	0.00	0.00	302.63	378.86	399.33	466.83	3.1	4.1	6.2	-1.4	1.4	9.4	0.0	0.0	9.1	2.1	3.8	6.4
2019		364.58	394.88	462.86	376.37	386.20	484.33	0.00	223.50	304.66	367.16	394.12	465.31	-4.3	-1.7	0.6	1.4	3.3	-4.7	0.0	0.0	0.7	-3.1	-1.3	-0.3

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Tab 29 - Segmentation RevPAR Analysis - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		RevPAR												Percent Change (%)									
		Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month		My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018	Jul	180.54	294.34	281.79	57.35	16.70	50.76	0.00	0.00	4.73	237.90	311.04	337.28	16.8	6.5	5.6	6.2	-22.0	-8.3	0.0	0.0	662.7	14.1	4.5	4.5
	Aug	198.61	286.22	276.08	27.77	25.35	50.05	0.00	0.00	3.67	226.38	311.57	329.80	14.6	6.1	5.4	1.0	46.0	22.0	0.0	0.0	1024.3	12.7	8.5	8.7
	Sep	279.75	374.23	330.57	84.60	36.38	163.76	0.00	0.00	4.16	364.35	410.61	498.49	4.4	1.3	-1.4	6.0	-1.0	-2.0	0.0	0.0	2554.4	4.8	1.1	-0.8
	Oct	311.14	388.87	384.55	97.78	46.33	94.09	0.00	0.00	4.05	408.92	435.20	482.69	22.1	5.2	6.7	-14.4	51.8	15.5	0.0	0.0	1964.6	10.8	8.7	9.2
	Nov	248.39	334.66	380.02	83.16	27.89	77.33	0.00	0.00	3.22	331.55	362.56	460.57	-2.1	0.8	7.5	33.2	-2.7	4.2	0.0	0.0	2625.2	4.9	0.5	7.7
	Dec	306.72	343.58	422.71	30.96	22.37	58.72	0.00	0.00	2.32	337.68	365.95	483.76	6.4	1.3	4.5	29.2	16.9	5.0	0.0	0.0	1910.7	8.1	2.1	5.0
2019	Jan	126.52	192.69	194.84	47.18	17.01	34.08	0.00	0.00	2.38	173.70	209.70	231.30	-13.6	-0.3	-6.0	178.6	41.1	2.2	0.0	0.0	1024.1	6.3	2.1	-4.0
	Feb	164.73	215.76	204.21	54.98	24.82	35.48	0.00	0.00	2.10	219.71	240.58	241.78	7.8	2.0	-4.7	-9.1	4.5	-4.8	0.0	0.0	770.8	3.0	2.2	-3.9
	Mar	200.13	241.98	242.10	52.88	24.73	52.81	0.00	0.00	2.03	253.01	266.70	296.94	2.3	-5.3	-6.4	10.9	-23.1	-47.7	0.0	0.0	714.0	3.9	-7.3	-17.4
	Apr	260.26	312.30	307.78	38.50	32.99	59.60	0.00	0.01	1.95	298.76	345.30	369.33	13.7	5.7	1.5	-45.9	12.9	-7.2	0.0	0.0	-20.6	-0.4	6.4	-0.1
	May	244.64	332.69	330.49	85.89	43.02	77.11	0.00	0.00	1.84	330.53	375.71	409.44	-5.9	-3.5	-2.9	10.0	31.6	7.0	0.0	0.0	-34.2	-2.3	-0.4	-1.4
	Jun	232.25	332.65	316.50	69.90	23.10	64.49	0.00	0.00	1.89	302.16	355.75	382.87	-4.1	0.9	-0.8	-13.4	-18.5	-9.3	0.0	0.0	-53.4	-6.5	-0.6	-2.8
	Jul	188.67	288.18	276.57	59.98	17.37	52.11	0.00	0.00	1.84	248.65	305.56	330.52	4.5	-2.1	-1.9	4.6	4.0	2.7	0.0	0.0	-61.1	4.5	-1.8	-2.0
	Aug	216.69	294.92	267.86	22.82	16.51	45.41	0.00	0.00	1.54	239.51	311.43	314.81	9.1	3.0	-3.0	-17.8	-34.9	-9.3	0.0	0.0	-58.1	5.8	0.0	-4.5
	Sep	306.67	378.72	334.65	66.85	38.67	156.36	0.00	0.00	1.56	373.52	417.39	492.58	9.6	1.2	1.2	-21.0	6.3	-4.5	0.0	0.0	-62.5	2.5	1.7	-1.2
	Oct	286.31	373.50	366.90	90.13	42.31	76.35	0.00	0.00	1.54	376.44	415.81	444.79	-8.0	-4.0	-4.6	-7.8	-8.7	-18.8	0.0	0.0	-62.1	-7.9	-4.5	-7.9
	Nov	206.19	323.62	352.78	122.72	38.08	67.10	0.00	0.00	1.60	328.91	361.70	421.47	-17.0	-3.3	-7.2	47.6	36.5	-13.2	0.0	0.0	-50.4	-0.8	-0.2	-8.5
	Dec	275.14	366.57	424.17	72.17	24.13	58.54	0.00	0.00	1.59	347.31	390.70	484.31	-10.3	6.7	0.3	133.1	7.9	-0.3	0.0	0.0	-31.5	2.9	6.8	0.1
Year To Date																									
2017		215.19	292.75	289.43	56.89	25.77	67.45	0.00	0.00	0.30	272.08	318.52	357.18	-10.7	-1.3	3.1	15.8	-17.4	-5.0	0.0	0.0	-73.3	-6.2	-2.8	1.2
2018		231.41	304.83	309.09	61.72	27.78	72.53	0.00	0.00	2.66	293.13	332.61	384.27	7.5	4.1	6.8	8.5	7.8	7.5	0.0	0.0	777.9	7.7	4.4	7.6
2019		225.96	304.84	303.13	65.33	28.54	65.30	0.00	0.00	1.81	291.28	333.38	370.24	-2.4	0.0	-1.9	5.9	2.7	-10.0	0.0	0.0	-31.7	-0.6	0.2	-3.7
Running 3 Month																									
2017		266.07	347.19	372.70	65.75	26.08	70.63	0.00	0.00	0.14	331.83	373.27	443.47	11.0	6.3	9.1	21.3	-19.3	-4.6	0.0	0.0	-84.8	12.9	4.0	6.5
2018		289.19	355.93	395.93	70.50	32.24	76.71	0.00	0.00	3.20	359.69	388.18	475.83	8.7	2.5	6.2	7.2	23.7	8.6	0.0	0.0	2123.4	8.4	4.0	7.3
2019		256.42	354.90	381.59	94.70	34.80	67.33	0.00	0.00	1.57	351.12	389.70	450.50	-11.3	-0.3	-3.6	34.3	7.9	-12.2	0.0	0.0	-50.8	-2.4	0.4	-5.3
Running 12 Month																									
2017		215.19	292.75	289.43	56.89	25.77	67.45	0.00	0.00	0.30	272.08	318.52	357.18	-10.7	-1.3	3.1	15.8	-17.4	-5.0	0.0	0.0	-73.3	-6.2	-2.8	1.2
2018		231.41	304.83	309.09	61.72	27.78	72.53	0.00	0.00	2.66	293.13	332.61	384.27	7.5	4.1	6.8	8.5	7.8	7.5	0.0	0.0	777.9	7.7	4.4	7.6
2019		225.96	304.84	303.13	65.33	28.54	65.30	0.00	0.00	1.81	291.28	333.38	370.24	-2.4	0.0	-1.9	5.9	2.7	-10.0	0.0	0.0	-31.7	-0.6	0.2	-3.7

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Tab 30 - Segmentation Index Analysis - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Indexes												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2018 Jul	64.3	95.4	61.3	354.0	97.0	343.4	0.0	0.0	0.0	81.1	94.3	76.5	6.5	3.0	9.7	39.7	-2.5	36.3	0.0	0.0	0.0	7.6	1.5	9.2
Aug	77.0	90.1	69.4	121.8	90.0	109.5	0.0	0.0	0.0	81.2	89.5	72.7	7.7	0.2	8.0	-39.1	13.5	-30.8	0.0	0.0	0.0	1.8	2.0	3.9
Sep	78.2	95.6	74.8	259.7	89.5	232.5	0.0	0.0	0.0	94.8	93.6	88.7	3.9	-0.8	3.1	17.2	-8.7	7.0	0.0	0.0	0.0	7.0	-3.1	3.7
Oct	84.8	94.4	80.0	214.1	98.6	211.1	0.0	0.0	0.0	100.3	93.7	94.0	18.3	-1.8	16.1	-43.8	0.3	-43.7	0.0	0.0	0.0	5.5	-3.4	1.9
Nov	81.1	91.5	74.2	270.5	110.2	298.1	0.0	0.0	0.0	96.4	94.8	91.4	-3.0	0.1	-2.8	40.0	-2.2	36.9	0.0	0.0	0.0	4.2	0.2	4.4
Dec	97.3	91.8	89.3	137.8	100.5	138.4	0.0	0.0	0.0	99.8	92.5	92.3	6.6	-1.4	5.1	-8.0	20.2	10.5	0.0	0.0	0.0	5.9	0.0	5.9
2019 Jan	66.6	98.6	65.7	283.8	97.7	277.3	0.0	0.0	0.0	86.3	95.9	82.8	-16.4	3.6	-13.3	69.5	16.4	97.4	0.0	0.0	0.0	1.9	2.1	4.1
Feb	79.0	96.6	76.4	233.8	94.7	221.5	0.0	0.0	0.0	95.1	96.0	91.3	11.3	-5.0	5.7	-7.0	-6.5	-13.0	0.0	0.0	0.0	4.2	-3.3	0.8
Mar	89.4	92.5	82.7	195.2	109.5	213.9	0.0	0.0	0.0	99.1	95.7	94.9	14.6	-5.8	8.0	17.4	22.7	44.1	0.0	0.0	0.0	12.3	-0.1	12.1
Apr	90.7	91.9	83.3	129.7	90.0	116.7	0.0	0.0	0.0	94.5	91.5	86.5	8.7	-1.1	7.6	-41.4	-18.2	-52.0	0.0	0.0	0.0	-3.0	-3.5	-6.4
May	79.9	92.1	73.5	197.9	100.9	199.7	0.0	0.0	0.0	92.5	95.1	88.0	-0.5	-2.1	-2.5	-24.5	10.7	-16.4	0.0	0.0	0.0	-4.3	2.6	-1.8
Jun	77.0	90.6	69.8	304.7	99.3	302.6	0.0	0.0	0.0	93.0	91.3	84.9	-4.0	-1.1	-5.0	9.2	-2.7	6.2	0.0	0.0	0.0	-3.9	-2.1	-5.9
Jul	71.0	92.3	65.5	357.1	96.7	345.2	0.0	0.0	0.0	89.0	91.4	81.4	10.4	-3.3	6.7	0.9	-0.3	0.5	0.0	0.0	0.0	9.8	-3.1	6.4
Aug	85.8	85.6	73.5	176.9	78.2	138.3	0.0	0.0	0.0	91.2	84.3	76.9	11.4	-4.9	5.9	45.3	-13.1	26.2	0.0	0.0	0.0	12.4	-5.8	5.8
Sep	87.6	92.4	81.0	175.1	98.7	172.9	0.0	0.0	0.0	95.8	93.4	89.5	12.0	-3.3	8.3	-32.6	10.3	-25.7	0.0	0.0	0.0	1.0	-0.2	0.9
Oct	87.6	87.5	76.7	215.1	99.1	213.0	0.0	0.0	0.0	101.0	89.6	90.5	3.3	-7.3	-4.2	0.5	0.5	0.9	0.0	0.0	0.0	0.8	-4.4	-3.7
Nov	66.8	95.4	63.7	327.3	98.5	322.3	0.0	0.0	0.0	94.9	95.8	90.9	-17.7	4.3	-14.2	21.0	-10.7	8.1	0.0	0.0	0.0	-1.6	1.0	-0.6
Dec	79.1	94.9	75.1	286.7	104.3	299.1	0.0	0.0	0.0	91.7	96.9	88.9	-18.7	3.4	-15.9	108.1	3.8	116.0	0.0	0.0	0.0	-8.0	4.8	-3.7
Year To Date																								
2017	76.8	95.7	73.5	216.4	102.0	220.7	0.0	0.0	0.0	88.6	96.5	85.4	-3.5	-6.3	-9.5	44.7	-3.1	40.1	0.0	0.0	0.0	2.2	-5.5	-3.5
2018	80.1	94.8	75.9	224.0	99.2	222.2	0.0	0.0	0.0	92.9	94.9	88.1	4.3	-0.9	3.3	3.5	-2.8	0.7	0.0	0.0	0.0	4.9	-1.6	3.2
2019	80.3	92.3	74.1	234.9	97.5	228.9	0.0	0.0	0.0	93.8	93.2	87.4	0.3	-2.6	-2.4	4.9	-1.8	3.0	0.0	0.0	0.0	1.0	-1.8	-0.9
Running 3 Month																								
2017	82.3	93.2	76.6	249.7	101.0	252.2	0.0	0.0	0.0	93.9	94.7	88.9	1.4	3.0	4.4	40.2	7.2	50.2	0.0	0.0	0.0	3.7	4.6	8.5
2018	87.8	92.5	81.2	213.3	102.5	218.6	0.0	0.0	0.0	98.9	93.7	92.7	6.8	-0.7	6.0	-14.6	1.5	-13.3	0.0	0.0	0.0	5.3	-1.0	4.2
2019	78.1	92.5	72.3	273.6	99.4	272.1	0.0	0.0	0.0	96.0	93.9	90.1	-11.1	0.0	-11.1	28.3	-3.0	24.5	0.0	0.0	0.0	-2.9	0.2	-2.8
Running 12 Month																								
2017	76.8	95.7	73.5	216.4	102.0	220.7	0.0	0.0	0.0	88.6	96.5	85.4	-3.5	-6.3	-9.5	44.7	-3.1	40.1	0.0	0.0	0.0	2.2	-5.5	-3.5
2018	80.1	94.8	75.9	224.0	99.2	222.2	0.0	0.0	0.0	92.9	94.9	88.1	4.3	-0.9	3.3	3.5	-2.8	0.7	0.0	0.0	0.0	4.9	-1.6	3.2
2019	80.3	92.3	74.1	234.9	97.5	228.9	0.0	0.0	0.0	93.8	93.2	87.4	0.3	-2.6	-2.4	4.9	-1.8	3.0	0.0	0.0	0.0	1.0	-1.8	-0.9

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Tab 31 - Segmentation Ranking Analysis - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Ranking												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2018 Jul	8 of 8	4 of 8	8 of 8	1 of 8	5 of 8	1 of 8				8 of 8	4 of 8	7 of 8	2 of 8	2 of 8	2 of 8	3 of 8	5 of 8	4 of 8				1 of 8	3 of 8	2 of 8
Aug	8 of 8	5 of 8	8 of 8	3 of 8	7 of 8	3 of 8				8 of 8	6 of 8	8 of 8	3 of 8	3 of 8	3 of 8	7 of 8	3 of 8	7 of 8				4 of 8	2 of 8	3 of 8
Sep	8 of 8	4 of 8	8 of 8	1 of 8	8 of 8	1 of 8				7 of 8	5 of 8	6 of 8	3 of 8	3 of 8	2 of 8	3 of 8	7 of 8	3 of 8				1 of 8	4 of 8	2 of 8
Oct	8 of 8	4 of 8	7 of 8	1 of 8	5 of 8	1 of 8				5 of 8	5 of 8	6 of 8	1 of 8	3 of 8	1 of 8	7 of 8	6 of 8	8 of 8				2 of 8	5 of 8	2 of 8
Nov	7 of 8	5 of 8	8 of 8	1 of 8	3 of 8	1 of 8				7 of 8	5 of 8	6 of 8	6 of 8	3 of 8	6 of 8	3 of 8	5 of 8	3 of 8				3 of 8	3 of 8	2 of 8
Dec	7 of 8	5 of 8	6 of 8	3 of 8	3 of 8	3 of 8				7 of 8	5 of 8	5 of 8	3 of 8	4 of 8	3 of 8	2 of 8	2 of 8	2 of 8				2 of 8	4 of 8	2 of 8
2019 Jan	8 of 8	4 of 8	8 of 8	1 of 8	4 of 8	1 of 8				7 of 8	4 of 8	6 of 8	7 of 8	3 of 8	8 of 8	3 of 8	3 of 8	2 of 8				3 of 8	4 of 8	3 of 8
Feb	7 of 8	4 of 8	7 of 8	1 of 8	5 of 8	1 of 8				7 of 8	4 of 8	6 of 8	2 of 8	7 of 8	2 of 8	5 of 8	4 of 8	5 of 8				2 of 8	5 of 8	4 of 8
Mar	7 of 8	5 of 8	6 of 8	1 of 8	4 of 8	1 of 8				5 of 8	4 of 8	6 of 8	2 of 8	7 of 8	2 of 8	3 of 8	2 of 8	3 of 8				2 of 8	5 of 8	1 of 8
Apr	7 of 8	5 of 8	6 of 8	2 of 8	7 of 8	2 of 8				7 of 8	5 of 8	6 of 8	2 of 8	6 of 8	2 of 8	8 of 8	8 of 8	8 of 8				5 of 8	6 of 8	7 of 8
May	8 of 8	6 of 8	7 of 8	2 of 8	5 of 8	2 of 8				7 of 8	4 of 8	6 of 8	4 of 8	6 of 8	5 of 8	5 of 8	2 of 8	5 of 8				8 of 8	3 of 8	6 of 8
Jun	8 of 8	6 of 8	7 of 8	1 of 8	6 of 8	1 of 8				7 of 8	6 of 8	7 of 8	6 of 8	6 of 8	7 of 8	4 of 8	7 of 8	4 of 8				6 of 8	6 of 8	7 of 8
Jul	8 of 8	4 of 8	8 of 8	1 of 8	7 of 8	1 of 8				7 of 8	4 of 8	7 of 8	2 of 8	7 of 8	1 of 8	3 of 8	6 of 8	4 of 8				2 of 8	7 of 8	1 of 8
Aug	8 of 8	7 of 8	7 of 8	2 of 8	7 of 8	2 of 8				8 of 8	7 of 8	7 of 8	1 of 8	7 of 8	1 of 8	3 of 8	7 of 8	3 of 8				1 of 8	8 of 8	3 of 8
Sep	8 of 8	6 of 8	7 of 8	1 of 8	5 of 8	1 of 8				5 of 8	6 of 8	6 of 8	1 of 8	6 of 8	1 of 8	6 of 8	2 of 8	6 of 8				3 of 8	4 of 8	5 of 8
Oct	7 of 8	6 of 8	7 of 8	1 of 8	6 of 8	1 of 8				5 of 8	6 of 8	6 of 8	4 of 8	7 of 8	5 of 8	4 of 8	3 of 8	4 of 8				3 of 8	6 of 8	4 of 8
Nov	8 of 8	5 of 8	8 of 8	1 of 8	7 of 8	1 of 8				7 of 8	5 of 8	5 of 8	8 of 8	2 of 8	8 of 8	3 of 8	7 of 8	4 of 8				3 of 8	5 of 8	2 of 8
Dec	8 of 8	4 of 8	7 of 8	1 of 8	5 of 8	1 of 8				8 of 8	4 of 8	5 of 8	8 of 8	2 of 8	7 of 8	3 of 8	3 of 8	3 of 8				5 of 8	2 of 8	3 of 8
Year To Date																								
2017	8 of 8	5 of 8	8 of 8	1 of 8	4 of 8	1 of 8				7 of 8	5 of 8	7 of 8	6 of 8	7 of 8	8 of 8	1 of 8	5 of 8	1 of 8				3 of 8	7 of 8	7 of 8
2018	8 of 8	4 of 8	8 of 8	1 of 8	5 of 8	1 of 8				6 of 8	4 of 8	6 of 8	2 of 8	3 of 8	3 of 8	4 of 8	5 of 8	4 of 8				1 of 8	3 of 8	2 of 8
2019	8 of 8	5 of 8	7 of 8	1 of 8	5 of 8	1 of 8				7 of 8	4 of 8	6 of 8	2 of 8	7 of 8	6 of 8	2 of 8	6 of 8	3 of 8				3 of 8	7 of 8	3 of 8
Running 3 Month																								
2017	8 of 8	5 of 8	8 of 8	1 of 8	5 of 8	1 of 8				7 of 8	5 of 8	6 of 8	4 of 8	3 of 8	4 of 8	2 of 8	1 of 8	2 of 8				3 of 8	2 of 8	1 of 8
2018	7 of 8	5 of 8	7 of 8	1 of 8	5 of 8	1 of 8				7 of 8	5 of 8	6 of 8	3 of 8	3 of 8	1 of 8	4 of 8	5 of 8	4 of 8				2 of 8	3 of 8	1 of 8
2019	8 of 8	5 of 8	7 of 8	1 of 8	6 of 8	1 of 8				6 of 8	5 of 8	5 of 8	8 of 8	5 of 8	8 of 8	1 of 8	6 of 8	2 of 8				4 of 8	6 of 8	3 of 8
Running 12 Month																								
2017	8 of 8	5 of 8	8 of 8	1 of 8	4 of 8	1 of 8				7 of 8	5 of 8	7 of 8	6 of 8	7 of 8	8 of 8	1 of 8	5 of 8	1 of 8				3 of 8	7 of 8	7 of 8
2018	8 of 8	4 of 8	8 of 8	1 of 8	5 of 8	1 of 8				6 of 8	4 of 8	6 of 8	2 of 8	3 of 8	3 of 8	4 of 8	5 of 8	4 of 8				1 of 8	3 of 8	2 of 8
2019	8 of 8	5 of 8	7 of 8	1 of 8	5 of 8	1 of 8				7 of 8	4 of 8	6 of 8	2 of 8	7 of 8	6 of 8	2 of 8	6 of 8	3 of 8				3 of 8	7 of 8	3 of 8

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Tab 32 - Segmentation Day Of Week - Current Month - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Current Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	58.2	74.5	69.2	14.4	3.0	5.9	0.0	0.0	0.6	72.6	77.5	75.7	-9.0	6.6	3.1	85.4	-43.6	-1.6	0.0	0.0	-25.0	1.3	3.0	2.4
Monday	54.3	75.1	71.4	17.4	5.6	9.9	0.0	0.0	0.5	71.6	80.7	81.8	-18.8	-2.0	-0.6	60.5	12.8	8.5	0.0	0.0	-27.6	-7.8	-1.1	0.2
Tuesday	65.0	78.1	74.3	11.3	8.5	11.4	0.0	0.0	0.5	76.3	86.7	86.2	-11.7	3.5	4.1	15.9	38.9	-7.4	0.0	0.0	-22.5	-8.4	6.2	2.2
Wednesday	60.7	79.1	72.2	19.5	7.9	13.1	0.0	0.0	0.5	80.2	87.0	85.9	-19.5	0.9	-1.2	181.5	29.6	18.1	0.0	0.0	-29.2	-2.6	2.9	1.1
Thursday	63.4	82.3	76.0	21.2	4.8	10.3	0.0	0.0	0.5	84.6	87.1	86.9	-22.5	3.9	2.6	323.3	-7.4	5.3	0.0	0.0	-25.7	-2.6	3.2	2.7
Weekday	60.2	77.6	72.5	16.4	5.9	10.0	0.0	0.0	0.5	76.6	83.5	83.0	-16.1	2.5	1.7	101.3	7.6	5.4	0.0	0.0	-26.1	-4.1	2.9	1.8
Friday	69.5	87.5	81.3	11.0	3.3	8.4	0.0	0.0	0.4	80.5	90.7	90.1	-22.7	6.1	3.7	1037.4	-10.8	25.2	0.0	0.0	-45.1	-11.4	5.4	5.0
Saturday	78.5	91.1	85.0	10.3	2.8	7.7	0.0	0.0	0.5	88.8	93.9	93.1	-7.9	4.4	4.3	57.5	-27.1	2.8	0.0	0.0	-35.9	-3.2	3.1	3.8
Weekend	74.0	89.3	83.1	10.6	3.0	8.0	0.0	0.0	0.5	84.6	92.3	91.6	-15.2	4.9	3.8	162.1	-19.3	12.6	0.0	0.0	-40.5	-7.4	3.9	4.1
Total	63.7	80.6	75.1	14.9	5.2	9.6	0.0	0.0	0.5	78.7	85.8	85.2	-16.4	2.8	1.8	114.2	3.0	8.7	0.0	0.0	-29.8	-5.4	2.8	2.2
ADR																								
Sunday	357.67	338.39	481.54	461.65	437.09	580.80	0.00	0.00	299.80	378.33	342.25	487.98	-4.8	-7.3	-7.7	4.7	8.7	-12.5	0.0	0.0	-3.7	-1.1	-6.9	-8.1
Monday	417.14	410.91	530.46	470.97	458.67	591.85	0.00	0.00	294.66	430.18	414.22	536.32	2.9	-5.1	-4.7	4.8	0.2	-11.0	0.0	0.0	-10.1	4.6	-4.7	-5.3
Tuesday	488.35	503.43	578.44	475.79	490.58	616.77	0.00	0.00	294.32	486.49	502.17	581.69	17.9	6.1	3.1	8.3	4.0	-3.2	0.0	0.0	-3.3	16.6	5.9	2.1
Wednesday	496.36	504.85	586.31	551.39	490.45	617.57	0.00	0.00	298.05	509.75	503.54	589.24	13.9	6.9	1.4	22.9	4.9	-5.2	0.0	0.0	-6.5	16.7	6.7	0.7
Thursday	434.69	470.75	572.43	503.47	449.91	616.07	0.00	0.00	292.98	451.91	469.60	575.94	5.3	7.8	-2.4	18.3	2.9	-0.8	0.0	0.0	-5.8	9.3	7.5	-2.1
Weekday	438.48	443.74	548.31	493.79	472.31	606.82	0.00	0.00	296.05	450.35	445.77	553.70	7.4	2.1	-2.0	11.6	5.7	-6.2	0.0	0.0	-6.1	9.4	2.4	-2.4
Friday	420.15	462.66	601.24	444.47	425.24	573.68	0.00	0.00	292.04	423.47	461.31	597.22	10.0	7.4	1.0	3.7	1.7	-5.4	0.0	0.0	-2.8	10.7	7.3	0.7
Saturday	410.10	502.37	620.60	438.76	403.35	565.33	0.00	0.00	288.02	413.42	499.46	614.32	3.5	8.8	-0.5	-7.0	1.6	-7.5	0.0	0.0	-9.9	2.9	8.8	-0.9
Weekend	414.82	482.92	611.14	441.71	415.19	569.68	0.00	0.00	289.90	418.20	480.71	605.92	6.4	7.7	0.0	-5.5	2.2	-6.5	0.0	0.0	-6.8	6.4	7.7	-0.4
Total	431.65	454.98	564.58	483.13	463.14	611.64	0.00	0.00	297.01	441.43	455.47	568.18	7.3	3.8	-1.4	8.8	4.8	-8.3	0.0	0.0	-2.5	8.8	3.8	-2.0
RevPAR																								
Sunday	208.12	251.94	333.41	66.59	13.27	34.49	0.00	0.00	1.67	274.72	265.21	369.57	-13.3	-1.2	-4.8	94.2	-38.6	-14.0	0.0	0.0	-27.7	0.2	-4.1	-5.9
Monday	226.45	308.64	378.73	81.72	25.71	58.47	0.00	0.00	1.59	308.17	334.35	438.78	-16.4	-7.0	-5.2	68.2	13.1	-3.5	0.0	0.0	-34.9	-3.6	-5.7	-5.2
Tuesday	317.51	393.43	429.60	53.71	41.81	70.05	0.00	0.00	1.61	371.23	435.23	501.26	4.2	9.9	7.3	25.6	44.4	-10.4	0.0	0.0	-25.0	6.8	12.5	4.3
Wednesday	301.36	399.32	423.28	107.59	38.63	80.96	0.00	0.00	1.64	408.95	437.95	505.88	-8.3	7.8	0.2	246.1	35.9	12.0	0.0	0.0	-33.8	13.7	9.8	1.8
Thursday	275.66	387.40	435.01	106.57	21.74	63.75	0.00	0.00	1.54	382.23	409.13	500.30	-18.4	12.0	0.1	400.8	-4.7	4.5	0.0	0.0	-30.0	6.4	11.0	0.5
Weekday	263.85	344.21	397.47	81.16	28.06	60.60	0.00	0.00	1.61	345.01	372.27	459.69	-9.9	4.7	-0.4	124.6	13.8	-1.2	0.0	0.0	-30.6	4.9	5.3	-0.6
Friday	292.05	404.61	488.75	48.78	13.84	47.96	0.00	0.00	1.24	340.84	418.46	537.95	-15.0	14.0	4.8	1079.7	-9.3	18.4	0.0	0.0	-46.6	-1.9	13.0	5.6
Saturday	321.86	457.73	527.42	45.10	11.13	43.40	0.00	0.00	1.39	366.96	468.87	572.22	-4.7	13.6	3.8	46.5	-26.0	-4.9	0.0	0.0	-42.2	-0.4	12.2	2.9
Weekend	306.96	431.17	508.08	46.94	12.49	45.68	0.00	0.00	1.32	353.90	443.66	555.08	-9.8	13.0	3.8	147.8	-17.5	5.3	0.0	0.0	-44.5	-1.5	11.8	3.7
Total	275.14	366.57	424.17	72.17	24.13	58.54	0.00	0.00	1.59	347.31	390.70	484.31	-10.3	6.7	0.3	133.1	7.9	-0.3	0.0	0.0	-31.5	2.9	6.8	0.1

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Tab 33 - Segmentation Day Of Week - Year to Date - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Year To Date												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	52.1	67.9	57.6	12.2	5.0	10.3	0.0	0.0	0.6	64.3	72.9	68.6	7.7	3.0	-2.0	7.5	-2.3	-5.7	0.0	0.0	-34.8	7.0	2.6	-3.0
Monday	60.8	75.4	64.1	19.0	7.9	14.1	0.0	0.0	0.6	79.8	83.3	78.8	8.6	2.0	-2.9	0.8	1.9	-4.0	0.0	0.0	-33.7	6.0	2.0	-3.4
Tuesday	66.6	79.3	67.8	21.3	9.8	16.0	0.0	0.0	0.6	87.8	89.1	84.3	8.1	1.8	-1.6	-7.1	1.2	-6.2	0.0	0.0	-34.7	3.4	1.7	-2.9
Wednesday	66.0	79.6	67.5	21.8	9.7	16.5	0.0	0.0	0.6	87.8	89.3	84.6	2.7	0.7	-2.7	-0.8	-3.6	-5.9	0.0	0.0	-34.3	1.3	0.2	-3.7
Thursday	60.9	77.8	65.2	19.5	7.9	14.4	0.0	0.0	0.6	80.3	85.7	80.2	0.1	1.6	-3.2	13.8	-2.4	-7.0	0.0	0.0	-36.7	2.5	1.2	-4.3
Weekday	61.3	76.0	64.5	18.7	8.1	14.3	0.0	0.0	0.6	80.0	84.1	79.3	5.3	1.8	-2.5	1.8	-0.9	-5.7	0.0	0.0	-34.9	3.9	1.5	-3.4
Friday	60.4	78.1	66.0	14.4	6.0	11.8	0.0	0.0	0.6	74.8	84.0	78.3	-2.9	2.3	-2.5	12.2	1.9	-4.8	0.0	0.0	-38.1	-1.1	2.2	-3.3
Saturday	67.0	82.4	70.3	13.3	5.4	11.2	0.0	0.0	0.6	80.3	87.8	82.1	-4.1	1.2	-2.4	18.7	0.6	-3.8	0.0	0.0	-34.6	-0.4	1.1	-2.9
Weekend	63.7	80.2	68.2	13.9	5.7	11.5	0.0	0.0	0.6	77.6	85.9	80.2	-3.5	1.7	-2.4	15.2	1.3	-4.3	0.0	0.0	-36.3	-0.7	1.7	-3.1
Total	62.0	77.2	65.5	17.4	7.4	13.5	0.0	0.0	0.6	79.3	84.6	79.6	2.0	1.8	-2.5	4.3	-0.5	-5.5	0.0	0.0	-32.2	2.5	1.6	-3.3
ADR																								
Sunday	336.29	315.15	413.21	367.35	351.88	489.31	0.00	0.00	305.17	342.17	317.68	423.74	-4.5	-7.4	-1.2	-1.5	-0.3	-5.9	0.0	0.0	0.5	-3.9	-6.9	-2.0
Monday	370.87	391.69	464.03	372.00	384.18	488.09	0.00	0.00	309.97	371.14	390.98	467.17	-0.5	-1.7	1.1	0.7	5.6	-4.5	0.0	0.0	-0.4	-0.2	-1.1	0.1
Tuesday	396.60	443.44	496.73	380.21	410.51	495.29	0.00	0.00	307.69	392.63	439.81	495.15	-2.3	2.0	2.8	1.8	8.4	-2.6	0.0	0.0	1.8	-1.1	2.6	1.8
Wednesday	392.95	441.46	498.92	389.72	408.52	492.52	0.00	0.00	303.85	392.15	437.88	496.28	-4.9	0.2	1.1	2.7	5.6	-2.2	0.0	0.0	0.3	-3.1	0.8	0.5
Thursday	368.97	394.05	467.39	380.73	384.30	473.10	0.00	0.00	304.61	371.82	393.15	467.23	-6.2	-3.7	-0.7	2.6	2.4	-3.5	0.0	0.0	-0.9	-4.3	-3.1	-1.1
Weekday	375.05	399.89	469.90	379.20	392.54	487.92	0.00	0.00	306.25	376.02	399.18	471.92	-3.7	-1.7	0.8	1.5	5.0	-3.6	0.0	0.0	0.2	-2.5	-1.1	0.0
Friday	343.65	371.79	447.93	369.55	357.63	455.10	0.00	0.00	305.44	348.65	370.78	447.98	-6.8	-3.3	-0.6	2.5	-3.9	-7.4	0.0	0.0	1.4	-4.8	-3.3	-1.6
Saturday	335.23	393.65	449.96	364.42	368.48	456.89	0.00	0.00	303.05	340.07	392.11	449.84	-6.2	-0.5	0.2	0.6	-0.1	-7.7	0.0	0.0	0.3	-5.0	-0.4	-0.9
Weekend	339.22	383.02	448.98	367.09	362.77	455.97	0.00	0.00	304.21	344.20	381.68	448.93	-6.5	-1.8	-0.2	1.6	-2.1	-7.5	0.0	0.0	0.8	-4.9	-1.8	-1.2
Total	364.58	394.88	462.86	376.37	386.20	484.33	0.00	223.50	304.66	367.16	394.12	465.31	-4.3	-1.7	0.6	1.4	3.3	-4.7	0.0	0.0	0.7	-3.1	-1.3	-0.3
RevPAR																								
Sunday	175.23	214.04	238.07	44.69	17.67	50.59	0.00	0.00	1.85	219.92	231.70	290.51	2.8	-4.7	-3.2	5.9	-2.6	-11.2	0.0	0.0	-34.5	2.8	-4.5	-5.0
Monday	225.62	295.39	297.64	70.52	30.21	68.65	0.00	0.00	1.84	296.14	325.60	368.13	8.1	0.2	-1.7	1.5	7.6	-8.3	0.0	0.0	-34.0	5.8	0.9	-3.3
Tuesday	263.94	351.54	336.56	80.86	40.29	79.26	0.00	0.00	1.79	344.79	391.84	417.61	5.7	3.8	1.2	-5.4	9.7	-8.7	0.0	0.0	-33.5	2.2	4.3	-1.1
Wednesday	259.48	351.19	336.76	84.87	39.70	81.26	0.00	0.00	1.83	344.35	390.90	419.86	-2.3	0.9	-1.7	1.9	1.8	-8.0	0.0	0.0	-34.1	-1.8	1.0	-3.2
Thursday	224.59	306.45	304.81	74.14	30.36	67.92	0.00	0.00	1.77	298.73	336.81	374.49	-6.1	-2.1	-3.8	16.8	0.0	-10.3	0.0	0.0	-37.3	-1.9	-2.0	-5.3
Weekday	229.90	303.90	302.88	71.05	31.68	69.57	0.00	0.00	1.81	300.95	335.59	374.26	1.4	0.0	-1.7	3.3	4.0	-9.1	0.0	0.0	-34.7	1.3	0.4	-3.4
Friday	207.50	290.20	295.76	53.31	21.30	53.49	0.00	0.00	1.73	260.81	311.49	350.97	-9.5	-1.1	-3.1	15.0	-2.1	-11.8	0.0	0.0	-37.2	-5.9	-1.1	-4.8
Saturday	224.67	324.43	316.31	48.56	19.77	51.23	0.00	0.00	1.81	273.23	344.20	369.35	-10.1	0.7	-2.2	19.4	0.5	-11.2	0.0	0.0	-34.4	-5.3	0.7	-3.8
Weekend	216.09	307.31	306.03	50.93	20.53	52.36	0.00	0.00	1.77	267.02	327.85	360.16	-9.8	-0.2	-2.6	17.1	-0.9	-11.5	0.0	0.0	-35.8	-5.6	-0.2	-4.3
Total	225.96	304.84	303.13	65.33	28.54	65.30	0.00	0.00	1.81	291.28	333.38	370.24	-2.4	0.0	-1.9	5.9	2.7	-10.0	0.0	0.0	-31.7	-0.6	0.2	-3.7

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Tab 34 - Segmentation Day Of Week - Running 3 Month - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Running 3 Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	56.3	73.0	64.8	18.8	5.3	9.1	0.0	0.0	0.5	75.1	78.3	74.5	0.0	7.1	2.9	72.3	-6.5	5.5	0.0	0.0	-43.2	10.6	6.0	2.7
Monday	56.9	76.3	68.1	22.9	7.4	13.2	0.0	0.0	0.5	79.8	83.7	81.9	-3.7	1.3	0.8	23.8	0.2	-2.2	0.0	0.0	-47.8	1.8	1.2	-0.3
Tuesday	62.2	78.1	69.8	23.2	10.2	14.4	0.0	0.0	0.5	85.4	88.3	84.7	-2.4	1.5	1.8	5.5	9.8	-13.9	0.0	0.0	-47.5	-1.4	2.4	-1.8
Wednesday	61.5	78.3	69.7	25.7	11.2	16.0	0.0	0.0	0.5	87.1	89.5	86.2	-6.3	-1.2	-0.5	17.7	20.1	-8.4	0.0	0.0	-49.1	-1.3	1.0	-2.6
Thursday	63.6	79.9	70.5	22.6	9.2	14.3	0.0	0.0	0.5	86.1	89.1	85.3	-10.8	-1.4	-2.0	36.4	12.0	-8.4	0.0	0.0	-50.2	-3.2	-0.2	-3.6
Weekday	60.1	77.1	68.6	22.6	8.7	13.4	0.0	0.0	0.5	82.7	85.8	82.5	-4.8	1.3	0.6	26.1	9.0	-6.7	0.0	0.0	-47.6	1.0	2.0	-1.2
Friday	63.9	84.0	75.1	19.2	6.8	11.4	0.0	0.0	0.5	83.1	90.8	87.0	-19.0	2.9	1.1	46.2	1.8	-3.3	0.0	0.0	-52.7	-10.1	2.8	-0.1
Saturday	69.7	86.7	78.8	20.9	5.4	11.1	0.0	0.0	0.5	90.6	92.1	90.4	-13.7	2.0	1.3	124.3	-8.7	2.7	0.0	0.0	-46.5	-0.5	1.3	0.9
Weekend	66.8	85.3	77.0	20.0	6.1	11.3	0.0	0.0	0.5	86.8	91.4	88.7	-16.3	2.4	1.2	79.8	-3.1	-0.5	0.0	0.0	-49.7	-5.3	2.0	0.4
Total	62.0	79.4	70.9	21.9	8.0	12.8	0.0	0.0	0.5	83.9	87.4	84.3	-9.6	1.6	0.8	36.0	6.0	-5.2	0.0	0.0	-47.5	-1.0	2.0	-0.7
ADR																								
Sunday	362.63	338.35	465.77	426.06	379.02	502.16	0.00	0.00	312.87	378.53	341.12	469.17	-5.4	-8.6	-6.6	-1.4	-3.3	-9.2	0.0	0.0	-7.0	-3.2	-8.3	-6.8
Monday	408.48	423.07	516.69	422.03	421.18	520.23	0.00	0.00	311.71	412.36	422.90	515.99	-0.6	-2.9	-3.7	-3.2	0.7	-8.8	0.0	0.0	-10.0	-1.1	-2.6	-4.4
Tuesday	452.43	497.08	560.60	446.10	466.47	548.07	0.00	0.00	313.88	450.72	493.53	557.00	0.9	1.8	-1.7	0.7	5.9	-4.3	0.0	0.0	-5.9	0.9	2.1	-2.0
Wednesday	458.44	500.72	576.71	447.28	465.93	541.56	0.00	0.00	315.23	455.15	496.37	568.69	-1.8	0.6	-3.7	0.8	3.9	-3.8	0.0	0.0	-6.3	-1.3	0.8	-3.4
Thursday	421.08	450.75	554.11	436.95	433.62	514.62	0.00	0.00	306.95	425.24	448.97	546.10	-3.6	-4.0	-6.0	2.3	1.8	-4.8	0.0	0.0	-9.4	-2.2	-3.6	-5.5
Weekday	422.37	444.36	536.28	436.49	441.31	527.98	0.00	0.00	312.20	426.23	444.05	533.57	-1.9	-2.2	-4.2	-0.2	3.1	-5.8	0.0	0.0	-7.8	-1.4	-1.8	-4.3
Friday	395.85	436.72	540.60	426.95	409.61	487.29	0.00	0.00	308.45	403.04	434.70	532.35	-3.7	-2.3	-6.0	-2.1	-1.8	-7.1	0.0	0.0	-7.1	-1.4	-2.3	-5.8
Saturday	390.70	467.92	550.93	417.82	417.94	479.51	0.00	0.00	309.39	396.96	464.99	540.81	-2.5	-0.2	-4.8	-6.9	-0.7	-7.7	0.0	0.0	-8.6	-2.1	-0.2	-4.9
Weekend	393.16	452.57	545.89	422.19	413.31	483.46	0.00	0.00	308.93	399.87	449.95	536.66	-3.1	-1.2	-5.3	-4.4	-1.3	-7.4	0.0	0.0	-7.9	-1.8	-1.2	-5.4
Total	413.54	446.88	537.89	432.63	435.04	524.40	0.00	0.00	312.04	418.52	445.79	534.49	-1.9	-1.9	-4.3	-1.3	1.8	-7.4	0.0	0.0	-6.2	-1.4	-1.6	-4.6
RevPAR																								
Sunday	204.01	246.91	301.87	80.16	20.21	45.82	0.00	0.00	1.61	284.17	267.12	349.30	-5.3	-2.1	-3.9	69.8	-9.6	-4.2	0.0	0.0	-47.2	7.0	-2.8	-4.3
Monday	232.43	322.72	351.98	96.49	31.38	68.83	0.00	0.00	1.58	328.92	354.10	422.40	-4.4	-1.7	-2.9	19.9	0.9	-10.8	0.0	0.0	-53.0	0.7	-1.5	-4.7
Tuesday	281.62	388.17	391.14	103.37	47.78	79.19	0.00	0.00	1.57	384.98	435.96	471.90	-1.4	3.3	0.0	6.3	16.3	-17.6	0.0	0.0	-50.6	-0.5	4.5	-3.8
Wednesday	281.75	392.23	401.97	114.85	52.17	86.40	0.00	0.00	1.57	396.60	444.40	489.94	-8.0	-0.6	-4.2	18.6	24.8	-11.8	0.0	0.0	-52.3	-2.6	1.8	-5.9
Thursday	267.71	360.03	390.79	98.61	40.11	73.74	0.00	0.00	1.47	366.31	400.14	466.00	-14.0	-5.4	-7.8	39.6	14.0	-12.8	0.0	0.0	-54.9	-5.3	-3.8	-9.0
Weekday	253.93	342.71	367.91	98.77	38.47	70.92	0.00	0.00	1.56	352.69	381.19	440.39	-6.6	-1.0	-3.7	25.8	12.3	-12.1	0.0	0.0	-51.7	-0.4	0.2	-5.5
Friday	252.83	366.83	406.15	81.93	27.70	55.78	0.00	0.00	1.43	334.77	394.53	463.36	-21.9	0.5	-5.0	43.1	0.0	-10.2	0.0	0.0	-56.1	-11.4	0.5	-6.0
Saturday	272.16	405.53	434.07	87.35	22.59	53.35	0.00	0.00	1.54	359.51	428.12	488.95	-15.9	1.8	-3.6	108.9	-9.3	-5.3	0.0	0.0	-51.1	-2.6	1.1	-4.0
Weekend	262.50	386.18	420.11	84.64	25.14	54.56	0.00	0.00	1.49	347.14	411.32	476.16	-18.9	1.2	-4.3	72.0	-4.4	-7.9	0.0	0.0	-53.7	-7.0	0.8	-5.0
Total	256.42	354.90	381.59	94.70	34.80	67.33	0.00	0.00	1.57	351.12	389.70	450.50	-11.3	-0.3	-3.6	34.3	7.9	-12.2	0.0	0.0	-50.8	-2.4	0.4	-5.3

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Tab 35 - Segmentation Day Of Week - Running 12 Month - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Running 12 Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	52.1	67.9	57.6	12.2	5.0	10.3	0.0	0.0	0.6	64.3	72.9	68.6	7.7	3.0	-2.0	7.5	-2.3	-5.7	0.0	0.0	-34.8	7.0	2.6	-3.0
Monday	60.8	75.4	64.1	19.0	7.9	14.1	0.0	0.0	0.6	79.8	83.3	78.8	8.6	2.0	-2.9	0.8	1.9	-4.0	0.0	0.0	-33.7	6.0	2.0	-3.4
Tuesday	66.6	79.3	67.8	21.3	9.8	16.0	0.0	0.0	0.6	87.8	89.1	84.3	8.1	1.8	-1.6	-7.1	1.2	-6.2	0.0	0.0	-34.7	3.4	1.7	-2.9
Wednesday	66.0	79.6	67.5	21.8	9.7	16.5	0.0	0.0	0.6	87.8	89.3	84.6	2.7	0.7	-2.7	-0.8	-3.6	-5.9	0.0	0.0	-34.3	1.3	0.2	-3.7
Thursday	60.9	77.8	65.2	19.5	7.9	14.4	0.0	0.0	0.6	80.3	85.7	80.2	0.1	1.6	-3.2	13.8	-2.4	-7.0	0.0	0.0	-36.7	2.5	1.2	-4.3
Weekday	61.3	76.0	64.5	18.7	8.1	14.3	0.0	0.0	0.6	80.0	84.1	79.3	5.3	1.8	-2.5	1.8	-0.9	-5.7	0.0	0.0	-34.9	3.9	1.5	-3.4
Friday	60.4	78.1	66.0	14.4	6.0	11.8	0.0	0.0	0.6	74.8	84.0	78.3	-2.9	2.3	-2.5	12.2	1.9	-4.8	0.0	0.0	-38.1	-1.1	2.2	-3.3
Saturday	67.0	82.4	70.3	13.3	5.4	11.2	0.0	0.0	0.6	80.3	87.8	82.1	-4.1	1.2	-2.4	18.7	0.6	-3.8	0.0	0.0	-34.6	-0.4	1.1	-2.9
Weekend	63.7	80.2	68.2	13.9	5.7	11.5	0.0	0.0	0.6	77.6	85.9	80.2	-3.5	1.7	-2.4	15.2	1.3	-4.3	0.0	0.0	-36.3	-0.7	1.7	-3.1
Total	62.0	77.2	65.5	17.4	7.4	13.5	0.0	0.0	0.6	79.3	84.6	79.6	2.0	1.8	-2.5	4.3	-0.5	-5.5	0.0	0.0	-32.2	2.5	1.6	-3.3
ADR																								
Sunday	336.29	315.15	413.21	367.35	351.88	489.31	0.00	0.00	305.17	342.17	317.68	423.74	-4.5	-7.4	-1.2	-1.5	-0.3	-5.9	0.0	0.0	0.5	-3.9	-6.9	-2.0
Monday	370.87	391.69	464.03	372.00	384.18	488.09	0.00	0.00	309.97	371.14	390.98	467.17	-0.5	-1.7	1.1	0.7	5.6	-4.5	0.0	0.0	-0.4	-0.2	-1.1	0.1
Tuesday	396.60	443.44	496.73	380.21	410.51	495.29	0.00	0.00	307.69	392.63	439.81	495.15	-2.3	2.0	2.8	1.8	8.4	-2.6	0.0	0.0	1.8	-1.1	2.6	1.8
Wednesday	392.95	441.46	498.92	389.72	408.52	492.52	0.00	0.00	303.85	392.15	437.88	496.28	-4.9	0.2	1.1	2.7	5.6	-2.2	0.0	0.0	0.3	-3.1	0.8	0.5
Thursday	368.97	394.05	467.39	380.73	384.30	473.10	0.00	0.00	304.61	371.82	393.15	467.23	-6.2	-3.7	-0.7	2.6	2.4	-3.5	0.0	0.0	-0.9	-4.3	-3.1	-1.1
Weekday	375.05	399.89	469.90	379.20	392.54	487.92	0.00	0.00	306.25	376.02	399.18	471.92	-3.7	-1.7	0.8	1.5	5.0	-3.6	0.0	0.0	0.2	-2.5	-1.1	0.0
Friday	343.65	371.79	447.93	369.55	357.63	455.10	0.00	0.00	305.44	348.65	370.78	447.98	-6.8	-3.3	-0.6	2.5	-3.9	-7.4	0.0	0.0	1.4	-4.8	-3.3	-1.6
Saturday	335.23	393.65	449.96	364.42	368.48	456.89	0.00	0.00	303.05	340.07	392.11	449.84	-6.2	-0.5	0.2	0.6	-0.1	-7.7	0.0	0.0	0.3	-5.0	-0.4	-0.9
Weekend	339.22	383.02	448.98	367.09	362.77	455.97	0.00	0.00	304.21	344.20	381.68	448.93	-6.5	-1.8	-0.2	1.6	-2.1	-7.5	0.0	0.0	0.8	-4.9	-1.8	-1.2
Total	364.58	394.88	462.86	376.37	386.20	484.33	0.00	223.50	304.66	367.16	394.12	465.31	-4.3	-1.7	0.6	1.4	3.3	-4.7	0.0	0.0	0.7	-3.1	-1.3	-0.3
RevPAR																								
Sunday	175.23	214.04	238.07	44.69	17.67	50.59	0.00	0.00	1.85	219.92	231.70	290.51	2.8	-4.7	-3.2	5.9	-2.6	-11.2	0.0	0.0	-34.5	2.8	-4.5	-5.0
Monday	225.62	295.39	297.64	70.52	30.21	68.65	0.00	0.00	1.84	296.14	325.60	368.13	8.1	0.2	-1.7	1.5	7.6	-8.3	0.0	0.0	-34.0	5.8	0.9	-3.3
Tuesday	263.94	351.54	336.56	80.86	40.29	79.26	0.00	0.00	1.79	344.79	391.84	417.61	5.7	3.8	1.2	-5.4	9.7	-8.7	0.0	0.0	-33.5	2.2	4.3	-1.1
Wednesday	259.48	351.19	336.76	84.87	39.70	81.26	0.00	0.00	1.83	344.35	390.90	419.86	-2.3	0.9	-1.7	1.9	1.8	-8.0	0.0	0.0	-34.1	-1.8	1.0	-3.2
Thursday	224.59	306.45	304.81	74.14	30.36	67.92	0.00	0.00	1.77	298.73	336.81	374.49	-6.1	-2.1	-3.8	16.8	0.0	-10.3	0.0	0.0	-37.3	-1.9	-2.0	-5.3
Weekday	229.90	303.90	302.88	71.05	31.68	69.57	0.00	0.00	1.81	300.95	335.59	374.26	1.4	0.0	-1.7	3.3	4.0	-9.1	0.0	0.0	-34.7	1.3	0.4	-3.4
Friday	207.50	290.20	295.76	53.31	21.30	53.49	0.00	0.00	1.73	260.81	311.49	350.97	-9.5	-1.1	-3.1	15.0	-2.1	-11.8	0.0	0.0	-37.2	-5.9	-1.1	-4.8
Saturday	224.67	324.43	316.31	48.56	19.77	51.23	0.00	0.00	1.81	273.23	344.20	369.35	-10.1	0.7	-2.2	19.4	0.5	-11.2	0.0	0.0	-34.4	-5.3	0.7	-3.8
Weekend	216.09	307.31	306.03	50.93	20.53	52.36	0.00	0.00	1.77	267.02	327.85	360.16	-9.8	-0.2	-2.6	17.1	-0.9	-11.5	0.0	0.0	-35.8	-5.6	-0.2	-4.3
Total	225.96	304.84	303.13	65.33	28.54	65.30	0.00	0.00	1.81	291.28	333.38	370.24	-2.4	0.0	-1.9	5.9	2.7	-10.0	0.0	0.0	-31.7	-0.6	0.2	-3.7

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Tab 36 - Additional Revenue RevPAR Analysis (TrevPAR) - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		Revenue Per Rooms Available												Percent Change (%)												Ranking			
		Room			F&B			Other			Total (TrevPAR**)			Room			F&B			Other			Total (TrevPAR**)			My Prop vs. Comp Set			
Current Month		My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	Room	F&B	Other	Total
2018	Jul	237.90	311.04	76.48	2.69	0.51	527.65	31.07	0.40	7807.40	271.66	311.95	87.08	14.1	4.5	9.2	-11.0	-99.4	14858.5	26.8	-76.6	441.9	15.1	-19.0	42.1	7 of 8	2 of 6	1 of 6	5 of 6
	Aug	226.38	311.57	72.66	3.39	0.00	0.00	29.17	0.20	14420.69	258.94	311.78	83.05	12.7	8.5	3.9	38.3	-100.0	-100.0	30.7	-92.7	1688.5	14.8	-13.0	31.9	8 of 8	1 of 7	1 of 7	6 of 7
	Sep	364.35	410.61	88.73	4.16	0.35	1192.30	39.30	0.28	13972.30	407.81	411.24	99.17	4.8	1.1	3.7		-99.6			-86.3			-17.4		6 of 8	1 of 6	1 of 6	4 of 6
	Oct	408.92	435.20	93.96	4.63	0.06	7307.67	40.64	0.38	10778.91	454.19	435.64	104.26	10.8	8.7	1.9	17.2	-99.9	######	58.2	-90.3	1533.7	13.9	-9.7	26.1	6 of 8	1 of 6	1 of 6	3 of 6
	Nov	331.55	362.56	91.45	4.30	0.00	0.00	40.26	1.18	3416.77	376.11	363.73	103.40	4.9	0.5	4.4	31.9	-100.0	-100.0	56.0	-47.1	194.6	9.0	-15.3	28.7	6 of 8	1 of 6	1 of 6	3 of 6
	Dec	337.68	365.95	92.28	4.22	0.18	2372.53	37.35	0.38	9733.60	379.25	366.51	103.48	8.1	2.1	5.9	24.7	-99.8	64197.4	20.5	-80.3	511.4	9.4	-18.9	35.0	5 of 8	1 of 6	1 of 6	3 of 6
2019	Jan	173.70	209.70	82.83	2.95	0.00	0.00	28.78	0.22	12911.44	205.44	209.93	97.86	6.3	2.1	4.1	0.2	-100.0	-100.0	27.8	50.3	-15.0	8.8	0.3	8.4	6 of 8	1 of 6	1 of 6	3 of 6
	Feb	219.71	240.58	91.32	3.91	2.35	166.40	35.94	0.54	6637.30	259.56	243.48	106.61	3.0	2.2	0.8	11.3	0.0	0.0	189.9	134.5	23.7	13.2	3.3	9.6	6 of 8	2 of 6	1 of 6	3 of 6
	Mar	253.01	266.70	94.86	3.73	0.12	3120.88	46.02	0.20	22521.23	302.76	267.03	113.38	3.9	-7.3	12.1	19.0	0.0	0.0	82.6	-34.4	178.4	11.4	-7.3	20.2	6 of 8	1 of 6	1 of 6	3 of 6
	Apr	298.76	345.30	86.52	3.54	0.19	1847.45	48.13	0.30	16118.62	350.43	345.79	101.34	-0.4	6.4	-6.4	-5.9	0.0	0.0	61.9	-15.0	90.4	5.1	6.4	-1.2	6 of 8	1 of 6	1 of 6	4 of 6
	May	330.53	375.71	87.97	3.96	0.00	0.00	27.38	0.36	7584.61	361.86	376.07	96.22	-2.3	-0.4	-1.8	14.4	-100.0	-100.0	-19.3	-49.7	60.6	-3.6	-1.7	-2.0	6 of 8	1 of 6	1 of 6	4 of 6
	Jun	302.16	355.75	84.93	3.72	0.00	0.00	30.11	0.34	8983.26	335.98	356.09	94.35	-6.5	-0.6	-5.9	-2.8	-100.0	-100.0	-7.1	-77.0	303.7	-6.5	-2.8	-3.8	7 of 8	1 of 7	1 of 7	5 of 7
	Jul	248.65	305.56	81.38	2.84	0.41	688.87	33.40	0.23	14227.14	284.90	306.20	93.04	4.5	-1.8	6.4	5.7	-19.0	30.6	7.5	-41.0	82.2	4.9	-1.8	6.8	7 of 8	1 of 6	1 of 6	5 of 6
	Aug	239.51	311.43	76.91	3.10	0.00	0.00	30.94	0.22	14296.93	273.54	311.65	87.77	5.8	0.0	5.8	-8.7	0.0	0.0	6.1	7.0	-0.9	5.6	0.0	5.7	7 of 8	1 of 6	1 of 6	5 of 6
	Sep	373.52	417.39	89.49	4.10	1.70	242.06	35.69	0.72	4974.79	413.31	419.80	98.45	2.5	1.7	0.9	-1.3	386.1	-79.7	-9.2	155.0	-64.4	1.3	2.1	-0.7	6 of 8	2 of 6	1 of 6	4 of 6
	Oct	376.44	415.81	90.53	3.58	5.52	64.87	37.61	0.81	4630.96	417.64	422.14	98.93	-7.9	-4.5	-3.7	-22.7	8610.8	-99.1	-7.4	115.4	-57.0	-8.0	-3.1	-5.1	6 of 8	2 of 6	1 of 6	4 of 6
	Nov	328.91	361.70	90.93	3.16	3.62	87.35	59.22	1.00	5901.84	391.29	366.32	106.82	-0.8	-0.2	-0.6	-26.4	0.0	0.0	47.1	-14.8	72.7	4.0	0.7	3.3	5 of 8	2 of 6	1 of 6	4 of 6
	Dec	347.31	390.70	88.89	3.43	3.28	104.33	43.71	0.61	7148.62	394.45	394.59	99.96	2.9	6.8	-3.7	-18.8	1745.9	-95.6	17.1	59.4	-26.6	4.0	7.7	-3.4	5 of 8	2 of 7	1 of 7	4 of 7
Running 3 Month																													
2017		331.83	373.27	88.90	3.53	78.89	4.47	27.58	2.69	1023.67	362.93	454.86	79.79	12.9	4.0	8.5	-1.7	-17.1	18.6	642.4	-20.9	838.6	20.4	-0.6	21.1	6 of 8	2 of 8	1 of 8	5 of 8
2018		359.69	388.18	92.66	4.39	0.08	5394.13	39.40	0.64	6151.93	403.48	388.90	103.75	8.4	4.0	4.2	24.4	-99.9	######	42.9	-76.2	501.0	11.2	-14.5	30.0	6 of 8	1 of 6	1 of 6	3 of 6
2019		351.12	389.70	90.10	3.39	4.15	81.80	46.71	0.81	5789.19	401.23	394.66	101.67	-2.4	0.4	-2.8	-22.6	5002.0	-98.5	18.6	26.0	-5.9	-0.6	1.5	-2.0	5 of 8	2 of 6	1 of 6	4 of 6
Running 3 Month																													
2017		272.08	318.52	85.42	3.29	77.88	4.22	22.78	2.52	902.77	293.35	398.92	73.54	-6.2	-2.8	-3.5	-3.6	-16.4	15.3	560.9	-36.5	940.4	-1.2	-6.1	5.2	7 of 8	3 of 8	1 of 8	7 of 8
2018		293.13	332.61	88.13	3.68	1.35	272.14	31.56	0.50	6287.57	328.37	334.47	98.18	7.7	4.4	3.2	12.0	-98.3	6349.9	38.5	-80.1	596.5	11.9	-16.2	33.5	6 of 8	2 of 6	1 of 6	4 of 6
2019		291.28	333.38	87.37	3.50	1.43	245.23	38.04	0.46	8247.08	332.82	335.27	99.27	-0.6	0.2	-0.9	-5.0	5.5	-9.9	20.5	-8.1	31.2	1.4	0.2	1.1	6 of 8	2 of 6	1 of 6	4 of 6
Running 12 Month																													
2017		272.08	318.52	85.42	3.29	77.88	4.22	22.78	2.52	902.77	293.35	398.92	73.54	-6.2	-2.8	-3.5	-3.6	-16.4	15.3	560.9	-36.5	940.4	-1.2	-6.1	5.2	7 of 8	3 of 8	1 of 8	7 of 8
2018		293.13	332.61	88.13	3.68	1.35	272.14	31.56	0.50	6287.57	328.37	334.47	98.18	7.7	4.4	3.2	12.0	-98.3	6349.9	38.5	-80.1	596.5	11.9	-16.2	33.5	6 of 8	2 of 6	1 of 6	4 of 6
2019		291.28	333.38	87.37	3.50	1.43	245.23	38.04	0.46	8247.08	332.82	335.27	99.27	-0.6	0.2	-0.9	-5.0	5.5	-9.9	20.5	-8.1	31.2	1.4	0.2	1.1	6 of 8	2 of 6	1 of 6	4 of 6

** TrevPAR = Total revenue per available room (sum of Room, F&B, and Other revenue divided by total available rooms).

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Tab 37 - Segmentation Response Report - Comp Set 2

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020

This Year

Dec 23rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas Day
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

Last Year

Dec 3rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

December 2019 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December 2018 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
63754	Thompson Hotels The Beekman Hotel	New York, NY	10038-2206	(212) 233-2300	287	201609
20228	Gramercy Park Hotel	New York, NY	10010-5405	(212) 475-4320	190	192406
58086	W Hotel New York Downtown	New York, NY	10006-1001	(646) 826-8600	217	201008
58102	The Standard High Line	New York, NY	10014-1308	(212) 645-4646	338	200812
59549	The NoMad Hotel	New York, NY	10001-7507	(212) 796-1500	168	201204
60240	The Dominick	New York, NY	10013-1521	(212) 842-5500	390	201004
60404	The James New York Soho	New York, NY	10013-1618	(212) 465-2000	114	201009
60676	Royalton Park Avenue Hotel	New York, NY	10016-8403	(212) 317-2900	249	201008
					1953	

2018												2019											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	s	s	s	s	s	s	s	s	s	s	s	s	s	s	s	s	s	s	s	s	s	s	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	s	B	s	s	s	B	s	s	s	s	s	s	s	s	s	B	s	s	s	s	s	s
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B

Data received:

s = Segmentation (Transient, Group, Contract) Only
r = Additional Revenue Only
B = Both Segmentation & Additional Revenue

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Tab 38 - Monthly Performance at a Glance - My Property vs. Competitive Set - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

December 2019

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	78.7	78.5	100.3	441.43	436.96	101.0	347.31	342.85	101.3
Year To Date	79.3	76.0	104.4	367.16	401.00	91.6	291.28	304.65	95.6
December LYTD	78.7	78.5	100.3	441.43	436.96	101.0	347.31	342.85	101.3
Running 3 Month	83.9	79.0	106.2	418.52	440.04	95.1	351.12	347.79	101.0
Running 12 Month	79.3	76.0	104.4	367.16	401.00	91.6	291.28	304.65	95.6

December 2019 vs. 2018 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-5.4	-2.4	-3.1	8.8	4.4	4.2	2.9	1.9	0.9
Year To Date	2.5	0.3	2.2	-3.1	-0.1	-3.0	-0.6	0.2	-0.9
December LYTD	-5.4	-2.4	-3.1	8.8	4.4	4.2	2.9	1.9	0.9
Running 3 Month	-1.0	-2.2	1.2	-1.4	0.7	-2.1	-2.4	-1.5	-0.9
Running 12 Month	2.5	0.3	2.2	-3.1	-0.1	-3.0	-0.6	0.2	-0.9

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Tab 39 - STAR Summary - My Property vs. Comp Set and Industry Segments - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Occupancy (%)

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Thompson Hotels The Beekman Hotel	78.7	-5.4	79.3	2.5	83.9	-1.0	79.3	2.5
Market: New York, NY	88.5	1.2	86.2	-1.1	88.7	-0.4	86.2	-1.1
Market Class: Luxury Class	85.0	3.1	79.6	-2.3	84.5	0.3	79.6	-2.3
Submarket: Financial District, NY	86.6	0.3	84.1	-0.1	87.4	2.2	84.1	-0.1
Submarket Scale: Upscale Chains	86.2	-1.3	83.2	-1.8	87.3	1.1	83.2	-1.8
Competitive Set: Competitors	78.5	-2.4	76.0	0.3	79.0	-2.2	76.0	0.3

Supply

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	0.7	3.9	0.7	3.9
Market: New York, NY	4.5	3.8	4.3	3.8
Market Class: Luxury Class	3.0	2.7	3.0	2.7
Submarket: Financial District, NY	1.8	8.0	2.4	8.0
Submarket Scale: Upscale Chains	0.0	3.0	0.0	3.0
Competitive Set: Competitors	0.0	-0.2	0.0	-0.2

Average Daily Rate

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Thompson Hotels The Beekman Hotel	441.43	8.8	367.16	-3.1	418.52	-1.4	367.16	-3.1
Market: New York, NY	303.24	0.0	255.16	-2.4	289.80	-3.7	255.16	-2.4
Market Class: Luxury Class	579.32	-1.2	478.00	-1.3	549.62	-3.6	478.00	-1.3
Submarket: Financial District, NY	285.06	3.1	256.93	-4.0	285.80	-3.2	256.93	-4.0
Submarket Scale: Upscale Chains	300.54	3.2	275.69	-2.7	303.95	-2.8	275.69	-2.7
Competitive Set: Competitors	436.96	4.4	401.00	-0.1	440.04	0.7	401.00	-0.1

Demand

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	-4.8	6.6	-0.3	6.6
Market: New York, NY	5.8	2.6	3.8	2.6
Market Class: Luxury Class	6.2	0.4	3.2	0.4
Submarket: Financial District, NY	2.1	7.8	4.6	7.8
Submarket Scale: Upscale Chains	-1.3	1.2	1.1	1.2
Competitive Set: Competitors	-2.4	0.1	-2.2	0.1

RevPAR

	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Thompson Hotels The Beekman Hotel	347.31	2.9	291.28	-0.6	351.12	-2.4	291.28	-0.6
Market: New York, NY	268.39	1.2	220.06	-3.5	256.92	-4.1	220.06	-3.5
Market Class: Luxury Class	492.45	1.9	380.46	-3.6	464.61	-3.4	380.46	-3.6
Submarket: Financial District, NY	246.83	3.4	216.18	-4.1	249.78	-1.0	216.18	-4.1
Submarket Scale: Upscale Chains	258.96	1.8	229.42	-4.4	265.50	-1.8	229.42	-4.4
Competitive Set: Competitors	342.85	1.9	304.65	0.2	347.79	-1.5	304.65	0.2

Revenue

	Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
Thompson Hotels The Beekman Hotel	3.6	3.3	-1.7	3.3
Market: New York, NY	5.8	0.2	0.0	0.2
Market Class: Luxury Class	4.9	-0.9	-0.5	-0.9
Submarket: Financial District, NY	5.3	3.6	1.3	3.6
Submarket Scale: Upscale Chains	1.8	-1.5	-1.8	-1.5
Competitive Set: Competitors	1.9	0.1	-1.5	0.1

Census/Sample - Properties & Rooms

	Census		Sample		Sample %
	Properties	Rooms	Properties	Rooms	Rooms
Market: New York, NY	703	127732	503	111080	87.0
Market Class: Luxury Class	62	15968	60	15781	98.8
Submarket: Financial District, NY	39	8427	31	7254	86.1
Submarket Scale: Upscale Chains	20	5497	18	5022	91.4
Competitive Set: Competitors	5	1142	5	1142	100.0

Pipeline

Market: New York, NY

Under Construction		Planning	
Properties	Rooms	Properties	Rooms
86	12933	51	8309

See Help page for pipeline definitions.

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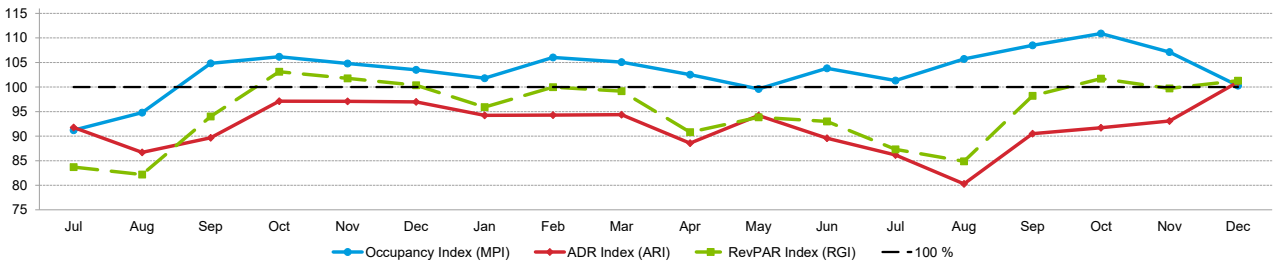
Tab 40 - Competitive Set Report - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

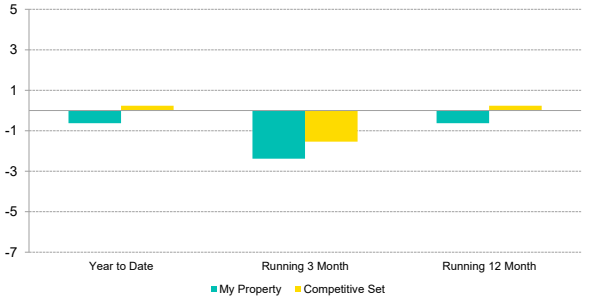
STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Monthly Indexes



RevPAR Percent Change



Occupancy (%)	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	68.0	71.8	82.6	90.3	80.5	83.2	60.6	73.7	80.2	82.5	80.4	81.5	75.7	80.4	85.3	90.7	82.3	78.7	73.3	77.4	79.3	81.4	84.7	83.9	73.3	77.4	79.3
Competitive Set	74.6	75.7	78.8	85.0	76.8	80.4	59.5	69.5	76.3	80.4	80.7	78.5	74.7	76.1	78.6	81.8	76.8	78.5	78.0	75.7	76.0	83.8	80.8	79.0	78.0	75.7	76.0
Index (MPI)	91.2	94.8	104.8	106.2	104.8	103.5	101.8	106.0	105.1	102.5	99.6	103.8	101.3	105.7	108.5	110.9	107.1	100.3	94.0	102.2	104.4	97.0	104.9	106.2	94.0	102.2	104.4
Rank	5 of 6	5 of 6	3 of 6	2 of 6	3 of 6	2 of 6	5 of 6	2 of 6	2 of 6	2 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	1 of 6	2 of 6	4 of 6	4 of 6	4 of 6	3 of 6	4 of 6	3 of 6	2 of 6	4 of 6	4 of 6	3 of 6
% Chg																											
My Property	5.6	5.0	4.5	6.4	0.1	5.3	9.2	8.2	7.6	0.4	-4.7	-2.5	11.3	12.0	3.3	0.5	2.2	-5.4	2.6	5.5	2.5	10.6	4.1	-1.0	2.6	5.5	2.5
Competitive Set	-11.5	-10.0	-7.4	-1.6	-7.2	-2.3	-9.4	-7.2	-0.7	19.2	6.2	2.6	0.2	0.4	-0.2	-3.8	-0.1	-2.4	2.8	-2.9	0.3	11.7	-3.6	-2.2	2.8	-2.9	0.3
Index (MPI)	19.4	16.7	12.9	8.1	7.8	7.8	20.5	16.6	8.4	-15.8	-10.3	-5.0	11.1	11.5	3.5	4.4	2.2	-3.1	-0.3	8.7	2.2	-0.9	8.1	1.2	-0.3	8.7	2.2
Rank	2 of 6	1 of 6	2 of 6	2 of 6	3 of 6	2 of 6	2 of 6	1 of 6	2 of 6	4 of 6	5 of 6	5 of 6	2 of 6	2 of 6	2 of 6	2 of 6	3 of 6	4 of 6	4 of 5	3 of 6	2 of 6	2 of 5	2 of 6	2 of 6	4 of 5	3 of 6	2 of 6

ADR	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	349.70	315.26	441.06	453.02	411.67	405.85	286.65	297.96	315.66	362.35	411.29	370.91	328.33	297.90	437.73	415.12	399.76	441.43	371.02	378.86	367.16	407.87	424.59	418.52	371.02	378.86	367.16
Competitive Set	381.05	363.69	491.90	466.46	423.96	418.49	304.23	316.03	334.46	409.08	436.53	414.09	381.05	371.07	483.64	452.60	429.48	436.96	383.28	401.29	401.00	428.89	437.19	440.04	383.28	401.29	401.00
Index (ARI)	91.8	86.7	89.7	97.1	97.1	97.0	94.2	94.3	94.4	88.6	94.2	89.6	86.2	80.3	90.5	91.7	93.1	101.0	96.8	94.4	91.6	95.1	97.1	95.1	96.8	94.4	91.6
Rank	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6
% Chg																											
My Property	8.0	7.4	0.2	4.1	4.8	2.7	-2.6	-4.8	-3.4	-0.8	2.6	-4.1	-6.1	-5.5	-0.8	-8.4	-2.9	8.8	-8.5	2.1	-3.1	2.0	4.1	-1.4	-8.5	2.1	-3.1
Competitive Set	12.7	11.8	5.1	2.0	1.2	2.4	-1.3	0.1	-6.6	3.3	1.6	-4.3	0.0	2.0	-1.7	-3.0	1.3	4.4	2.9	4.7	-0.1	2.2	1.9	0.7	2.9	4.7	-0.1
Index (ARI)	-4.1	-3.9	-4.6	2.1	3.5	0.3	-1.4	-4.9	3.4	-4.0	1.0	0.3	-6.1	-7.4	0.9	-5.6	-4.1	4.2	-11.1	-2.5	-3.0	-0.1	2.1	-2.1	-11.1	-2.5	-3.0
Rank	4 of 6	3 of 6	4 of 6	5 of 6	3 of 6	5 of 6	4 of 6	5 of 6	5 of 6	4 of 6	3 of 6	4 of 6	5 of 6	5 of 6	4 of 6	4 of 6	6 of 6	2 of 6	5 of 5	3 of 6	5 of 6	2 of 5	4 of 6	4 of 6	5 of 5	3 of 6	5 of 6

RevPAR	2018						2019												Year To Date			Running 3 Month			Running 12 Month		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017	2018	2019	2017	2018	2019	2017	2018	2019
My Property	237.90	226.38	364.35	408.92	331.55	337.68	173.70	219.71	253.01	298.76	330.53	302.16	248.65	239.51	373.52	376.44	328.91	347.31	272.08	293.13	291.28	331.83	359.69	351.12	272.08	293.13	291.28
Competitive Set	284.19	275.47	387.62	396.55	325.80	336.41	181.08	219.79	255.11	329.01	352.20	324.93	284.81	282.21	380.35	370.10	329.84	342.85	299.06	303.93	304.65	359.56	353.21	347.79	299.06	303.93	304.65
Index (RGI)	83.7	82.2	94.0	103.1	101.8	100.4	95.9	100.0	99.2	90.8	93.8	93.0	87.3	84.9	98.2	101.7	99.7	101.3	91.0	96.4	95.6	92.3	101.8	101.0	91.0	96.4	95.6
Rank	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	4 of 6	3 of 6	4 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6
% Chg																											
My Property	14.1	12.7	4.8	10.8	4.9	8.1	6.3	3.0	3.9	-0.4	-2.3	-6.5	4.5	5.8	2.5	-7.9	-0.8	2.9	-6.2	7.7	-0.6	12.9	8.4	-2.4	-6.2	7.7	-0.6
Competitive Set	-0.3	0.5	-2.7	0.4	-6.0	0.0	-10.5	-7.1	-7.3	23.1	7.9	-1.8	0.2	2.4	-1.9	-6.7	1.2	1.9	5.8	1.6	0.2	14.1	-1.8	-1.5	5.8	1.6	0.2
Index (RGI)	14.4	12.1	7.6	10.4	11.7	8.1	18.8	10.9	12.1	-19.1	-9.4	-4.7	4.3	3.3	4.5	-1.4	-2.0	0.9	-11.4	6.0	-0.9	-1.1	10.3	-0.9	-11.4	6.0	-0.9
Rank	3 of 6	3 of 6	3 of 6	4 of 6	4 of 6	3 of 6	2 of 6	3 of 6	2 of 6	5 of 6	5 of 6	3 of 6	2 of 6	2 of 6	3 of 6	4 of 6	3 of 6	2 of 6	5 of 5	3 of 6	4 of 6	2 of 5	3 of 6	3 of 6	5 of 5	3 of 6	4 of 6

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Tab 41 - Response Report - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020

This Year

Dec 23rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas Day
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

Last Year

Dec 3rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

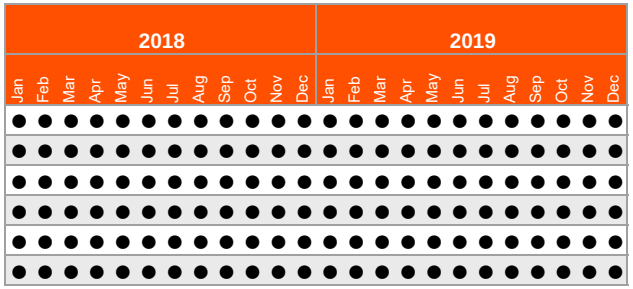
December 2019 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December 2018 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
63754	Thompson Hotels The Beekman Hotel	New York, NY	10038-2206	(212) 233-2300	287	201609
25564	11 Howard	New York, NY	10013-3111	(212) 235-1111	207	199202
39975	The Wagner at the Battery	New York, NY	10004-1001	(212) 344-0800	298	200201
58268	Andaz Wall Street	New York, NY	10005-2833	(212) 590-1234	253	201001
64689	Four Seasons Hotel New York Downtown	New York, NY	10007-2706	(646) 880-1999	189	201609
65394	1 Hotel Brooklyn Bridge	Brooklyn, NY	11201-1325	(347) 696-2500	195	201702
					1429	



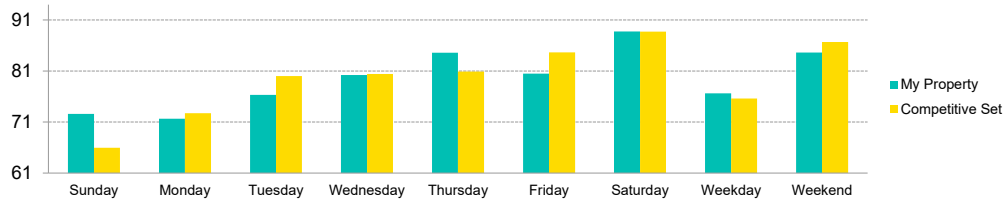
Data received:
○ = Monthly Only
● = Monthly & Daily

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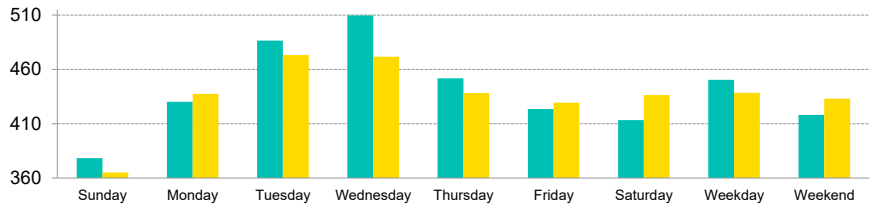
Tab 42 - Day of Week and Weekday/Weekend Report - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

Current Month Occupancy



Current Month ADR



		Occupancy (%)						Average Daily Rate						RevPAR					
		My Property		Competitive Set		Index (MPI)		My Property		Competitive Set		Index (ARI)		My Property		Competitive Set		Index (RGI)	
Day of Week	Time Period		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg
Sunday	Current Month	72.6	1.3	66.0	-7.3	110.1	9.3	378.33	-1.1	365.13	-3.7	103.6	2.7	274.72	0.2	240.89	-10.8	114.0	12.3
	Year To Date	64.3	7.0	64.0	2.3	100.4	4.6	342.17	-3.9	358.18	-0.6	95.5	-3.3	219.92	2.8	229.28	1.7	95.9	1.1
	Running 3 Month	75.1	10.6	67.0	0.3	112.0	10.3	378.53	-3.2	380.06	-1.8	99.6	-1.5	284.17	7.0	254.71	-1.5	111.6	8.7
	Running 12 Month	64.3	7.0	64.0	2.3	100.4	4.6	342.17	-3.9	358.18	-0.6	95.5	-3.3	219.92	2.8	229.28	1.7	95.9	1.1
Monday	Current Month	71.6	-7.8	72.7	-8.5	98.5	0.8	430.18	4.6	437.54	4.8	98.3	-0.2	308.17	-3.6	318.17	-4.1	96.9	0.6
	Year To Date	79.8	6.0	76.5	3.0	104.3	2.9	371.14	-0.2	400.59	0.7	92.6	-0.9	296.14	5.8	306.53	3.8	96.6	2.0
	Running 3 Month	79.8	1.8	76.8	-0.5	103.9	2.3	412.36	-1.1	428.15	0.3	96.3	-1.4	328.92	0.7	328.80	-0.2	100.0	0.9
	Running 12 Month	79.8	6.0	76.5	3.0	104.3	2.9	371.14	-0.2	400.59	0.7	92.6	-0.9	296.14	5.8	306.53	3.8	96.6	2.0
Tuesday	Current Month	76.3	-8.4	80.0	-2.0	95.4	-6.6	486.49	16.6	473.38	8.5	102.8	7.6	371.23	6.8	378.80	6.3	98.0	0.5
	Year To Date	87.8	3.4	81.9	0.4	107.3	3.0	392.63	-1.1	422.60	0.6	92.9	-1.8	344.79	2.2	345.97	1.1	99.7	1.2
	Running 3 Month	85.4	-1.4	81.6	-0.9	104.6	-0.5	450.72	0.9	464.00	1.5	97.1	-0.7	384.98	-0.5	378.78	0.6	101.6	-1.2
	Running 12 Month	87.8	3.4	81.9	0.4	107.3	3.0	392.63	-1.1	422.60	0.6	92.9	-1.8	344.79	2.2	345.97	1.1	99.7	1.2
Wednesday	Current Month	80.2	-2.6	80.4	-2.3	99.7	-0.4	509.75	16.7	471.74	7.0	108.1	9.1	408.95	13.7	379.43	4.6	107.8	8.7
	Year To Date	87.8	1.3	81.9	-1.7	107.2	3.0	392.15	-3.1	425.35	0.2	92.2	-3.3	344.35	-1.8	348.38	-1.5	98.8	-0.4
	Running 3 Month	87.1	-1.3	83.6	-2.5	104.2	1.2	455.15	-1.3	466.24	1.1	97.6	-2.4	396.60	-2.6	389.82	-1.4	101.7	-1.3
	Running 12 Month	87.8	1.3	81.9	-1.7	107.2	3.0	392.15	-3.1	425.35	0.2	92.2	-3.3	344.35	-1.8	348.38	-1.5	98.8	-0.4
Thursday	Current Month	84.6	-2.6	80.9	0.4	104.6	-3.0	451.91	9.3	438.31	4.3	103.1	4.7	382.23	6.4	354.56	4.7	107.8	1.6
	Year To Date	80.3	2.5	76.5	0.4	105.0	2.1	371.82	-4.3	399.49	-1.0	93.1	-3.4	298.73	-1.9	305.76	-0.6	97.7	-1.3
	Running 3 Month	86.1	-3.2	80.7	-4.4	106.7	1.3	425.24	-2.2	444.08	-0.3	95.8	-2.0	366.31	-5.3	358.53	-4.7	102.2	-0.7
	Running 12 Month	80.3	2.5	76.5	0.4	105.0	2.1	371.82	-4.3	399.49	-1.0	93.1	-3.4	298.73	-1.9	305.76	-0.6	97.7	-1.3
Friday	Current Month	80.5	-11.4	84.6	4.1	95.1	-14.9	423.47	10.7	429.48	4.6	98.6	5.8	340.84	-1.9	363.49	8.9	93.8	-10.0
	Year To Date	74.8	-1.1	73.0	-0.5	102.4	-0.6	348.65	-4.8	392.87	-0.6	88.7	-4.3	260.81	-5.9	286.89	-1.1	90.9	-4.9
	Running 3 Month	83.1	-10.1	79.7	-2.6	104.2	-7.7	403.04	-1.4	437.62	1.0	92.1	-2.4	334.77	-11.4	348.80	-1.6	96.0	-9.9
	Running 12 Month	74.8	-1.1	73.0	-0.5	102.4	-0.6	348.65	-4.8	392.87	-0.6	88.7	-4.3	260.81	-5.9	286.89	-1.1	90.9	-4.9
Saturday	Current Month	88.8	-3.2	88.7	2.0	100.0	-5.1	413.42	2.9	436.47	2.5	94.7	0.5	366.96	-0.4	387.28	4.5	94.8	-4.7
	Year To Date	80.3	-0.4	77.8	-1.3	103.2	1.0	340.07	-5.0	396.93	0.0	85.7	-4.9	273.23	-5.3	308.94	-1.4	88.4	-4.0
	Running 3 Month	90.6	-0.5	83.6	-4.4	108.4	4.1	396.96	-2.1	446.07	1.6	89.0	-3.7	359.51	-2.6	372.71	-2.9	96.5	0.3
	Running 12 Month	80.3	-0.4	77.8	-1.3	103.2	1.0	340.07	-5.0	396.93	0.0	85.7	-4.9	273.23	-5.3	308.94	-1.4	88.4	-4.0
Weekday/Weekend																			
Weekday (Sun-Thu)	Current Month	76.6	-4.1	75.6	-4.0	101.3	-0.1	450.35	9.4	438.52	4.9	102.7	4.3	345.01	4.9	331.53	0.7	104.1	4.1
	Year To Date	80.0	3.9	76.2	0.8	105.0	3.0	376.02	-2.5	403.38	0.0	93.2	-2.5	300.95	1.3	307.33	0.8	97.9	0.4
	Running 3 Month	82.7	1.0	78.0	-1.6	106.1	2.6	426.23	-1.4	439.26	0.4	97.0	-1.8	352.69	-0.4	342.68	-1.2	102.9	0.8
	Running 12 Month	80.0	3.9	76.2	0.8	105.0	3.0	376.02	-2.5	403.38	0.0	93.2	-2.5	300.95	1.3	307.33	0.8	97.9	0.4
Weekend (Fri-Sat)	Current Month	84.6	-7.4	86.7	2.6	97.6	-9.7	418.20	6.4	433.05	3.3	96.6	3.0	353.90	-1.5	375.38	6.0	94.3	-7.0
	Year To Date	77.6	-0.7	75.4	-0.9	102.8	0.2	344.20	-4.9	394.96	-0.3	87.1	-4.6	267.02	-5.6	297.91	-1.2	89.6	-4.4
	Running 3 Month	86.8	-5.3	81.6	-3.5	106.4	-1.9	399.87	-1.8	441.95	1.3	90.5	-3.1	347.14	-7.0	360.76	-2.3	96.2	-4.9
	Running 12 Month	77.6	-0.7	75.4	-0.9	102.8	0.2	344.20	-4.9	394.96	-0.3	87.1	-4.6	267.02	-5.6	297.91	-1.2	89.6	-4.4
Total	Current Month	78.7	-5.4	78.5	-2.4	100.3	-3.1	441.43	8.8	436.96	4.4	101.0	4.2	347.31	2.9	342.85	1.9	101.3	0.9
	Year To Date	79.3	2.5	76.0	0.3	104.4	2.2	367.16	-3.1	401.00	-0.1	91.6	-3.0	291.28	-0.6	304.65	0.2	95.6	-0.9
	Running 3 Month	83.9	-1.0	79.0	-2.2	106.2	1.2	418.52	-1.4	440.04	0.7	95.1	-2.1	351.12	-2.4	347.79	-1.5	101.0	-0.9
	Running 12 Month	79.3	2.5	76.0	0.3	104.4	2.2	367.16	-3.1	401.00	-0.1	91.6	-3.0	291.28	-0.6	304.65	0.2	95.6	-0.9

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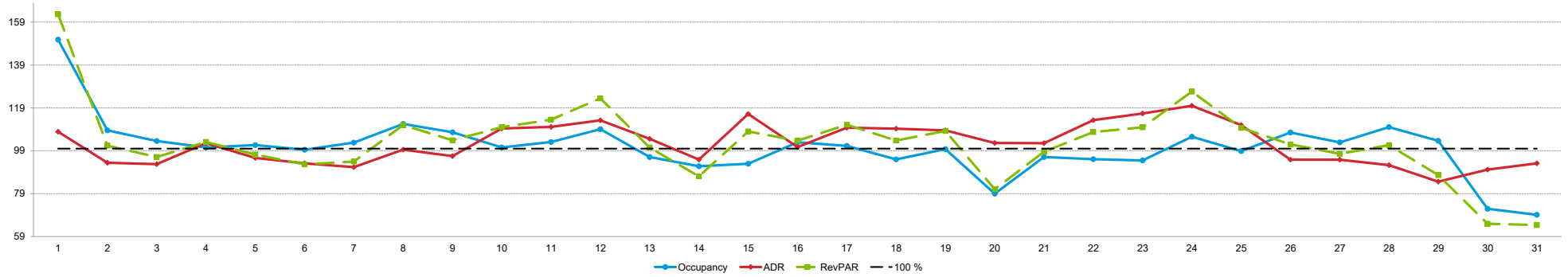
Tab 43 - Daily Data for the Month - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Daily Competitive Set Data Excludes Subject Property

Daily Indexes for the Month of December



	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu
Occupancy (%)	**December**																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	86.8	89.9	96.9	98.3	98.6	93.4	96.9	84.0	97.6	99.3	99.3	99.0	81.9	88.2	63.4	77.7	73.9	69.7	67.6	57.5	76.7	50.9	44.3	53.0	53.7	73.2	89.2	93.4	78.0	48.8	58.5
Competitive Set	57.5	82.8	93.5	97.7	97.0	93.9	94.2	75.3	90.6	98.8	96.3	90.7	85.2	96.1	68.2	75.5	72.9	73.4	67.8	72.8	79.8	53.5	46.8	50.2	54.3	68.0	86.7	84.9	75.3	67.8	84.7
Index (MPI)	150.8	108.5	103.6	100.5	101.6	99.5	102.8	111.5	107.6	100.5	103.1	109.1	96.1	91.8	93.0	102.9	101.3	95.0	99.7	79.0	96.1	95.1	94.5	105.6	98.8	107.5	102.9	110.1	103.6	72.0	69.1
Rank	1 of 6	1 of 6	2 of 6	3 of 6	2 of 6	3 of 6	2 of 6	2 of 6	2 of 6	2 of 6	3 of 6	1 of 6	5 of 6	6 of 6	4 of 6	3 of 6	3 of 6	4 of 6	4 of 6	5 of 6	5 of 6	5 of 6	4 of 6	3 of 6	3 of 6	3 of 6	3 of 6	1 of 6	3 of 6	6 of 6	6 of 6
% Chg																															
My Property	7.5	-4.8	-1.8	-0.3	1.5	-2.2	1.9	0.6	4.9	6.4	6.4	2.6	-14.2	-10.0	3.9	11.3	8.5	16.1	4.1	-30.0	-7.4	-31.5	-41.9	-27.8	-30.8	-17.6	-1.5	11.8	32.4	-11.4	85.4
Competitive Set	-9.6	-2.9	-0.2	1.5	10.8	11.9	7.4	13.3	9.2	15.6	8.3	10.7	4.6	8.8	-2.0	2.5	-11.2	7.9	1.8	1.8	-0.2	-26.2	-32.5	-23.2	-28.4	-21.2	-2.1	-5.0	-10.1	-21.3	47.4
Index (MPI)	19.0	-1.9	-1.6	-1.8	-8.4	-12.6	-5.1	-11.3	-3.9	-7.9	-1.7	-7.3	-18.0	-17.3	6.0	8.6	22.2	7.7	2.3	-31.2	-7.2	-7.1	-13.9	-6.0	-3.3	4.6	0.6	17.7	47.3	12.6	25.7
Rank	2 of 6	3 of 6	3 of 6	3 of 6	5 of 6	6 of 6	4 of 6	4 of 6	3 of 6	3 of 6	3 of 6	5 of 6	5 of 6	6 of 6	4 of 6	2 of 6	1 of 6	3 of 6	3 of 6	6 of 6	6 of 6	5 of 6	5 of 6	4 of 6	3 of 6	2 of 6	3 of 6	1 of 6	1 of 6	2 of 6	1 of 6

ADR	**December**																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	406.48	463.07	522.12	587.46	520.63	484.27	478.68	425.68	507.28	612.08	605.64	535.47	436.76	417.02	375.45	345.79	360.83	358.75	343.31	369.94	351.82	347.90	383.97	393.59	377.36	340.63	377.73	388.40	313.23	382.67	448.07
Competitive Set	376.87	495.69	562.79	572.90	544.10	519.93	523.85	427.62	525.60	559.49	549.97	473.00	417.61	439.53	323.18	343.27	328.71	328.23	316.33	360.48	343.06	307.05	329.94	328.04	340.11	359.21	398.27	420.72	370.23	424.11	481.13
Index (ARI)	107.9	93.4	92.8	102.5	95.7	93.1	91.4	99.5	96.5	109.4	110.1	113.2	104.6	94.9	116.2	100.7	109.8	109.3	108.5	102.6	102.6	113.3	116.4	120.0	111.0	94.8	94.8	92.3	84.6	90.2	93.1
Rank	2 of 6	3 of 6	4 of 6	2 of 6	3 of 6	4 of 6	4 of 6	3 of 6	3 of 6	2 of 6	2 of 6	2 of 6	3 of 6	4 of 6	3 of 6	3 of 6	2 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6
% Chg																															
My Property	-10.3	-7.7	-0.8	5.2	2.7	3.7	4.3	7.3	11.5	27.8	23.1	16.5	14.5	9.1	9.3	3.5	23.4	23.9	14.0	28.3	16.8	15.1	23.2	28.8	15.0	-0.4	-0.2	-1.5	-22.9	-8.1	24.4
Competitive Set	-13.4	-4.1	-0.8	-1.1	7.2	11.1	11.7	15.3	20.6	19.0	17.0	9.6	5.5	10.8	-0.5	8.8	-1.8	7.9	-3.1	2.7	0.2	-5.4	1.7	1.8	-1.5	-6.8	-3.0	-2.0	-13.6	-6.6	55.4
Index (ARI)	3.5	-3.7	0.0	6.3	-4.3	-6.7	-6.7	-6.9	-7.5	7.5	5.2	6.3	8.6	-1.5	9.8	-4.9	25.7	14.8	17.7	24.9	16.6	21.6	21.2	26.5	16.7	6.8	2.9	0.6	-10.7	-1.6	-19.9
Rank	4 of 6	5 of 6	3 of 6	1 of 6	4 of 6	5 of 6	4 of 6	5 of 6	5 of 6	2 of 6	3 of 6	1 of 6	3 of 6	3 of 6	2 of 6	4 of 6	1 of 6	2 of 6	1 of 6	1 of 6	1 of 6	2 of 6	2 of 6	1 of 6	1 of 6	2 of 6	3 of 6	3 of 6	5 of 6	3 of 6	6 of 6

RevPAR	**December**																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	352.66	416.28	505.74	577.23	513.37	452.21	463.67	357.45	494.90	607.82	601.41	529.87	357.62	367.62	238.09	268.68	266.54	250.00	232.06	212.68	269.69	176.98	169.91	208.45	202.49	249.24	336.93	362.69	244.47	186.67	262.28
Competitive Set	216.82	410.61	526.32	559.86	527.90	488.06	493.57	322.03	476.36	552.63	529.74	429.09	355.81	422.21	220.45	259.10	239.77	240.85	214.39	262.31	273.66	164.28	154.57	164.59	184.65	244.40	345.26	356.99	278.81	287.44	407.41
Index (RGI)	162.7	101.4	96.1	103.1	97.2	92.7	93.9	111.0	103.9	110.0	113.5	123.5	100.5	87.1	108.0	103.7	111.2	103.8	108.2	81.1	98.5	107.7	109.9	126.6	109.7	102.0	97.6	101.6	87.7	64.9	64.4
Rank	2 of 6	3 of 6	3 of 6	2 of 6	3 of 6	4 of 6	4 of 6	2 of 6	2 of 6	2 of 6	2 of 6	2 of 6	3 of 6	4 of 6	3 of 6	4 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	5 of 6	5 of 6
% Chg																															
My Property	-3.6	-12.1	-2.6	4.9	4.2	1.4	6.2	7.9	17.0	36.0	31.0	19.4	-1.7	-1.7	13.5	15.1	33.9	43.8	18.8	-10.2	8.1	-21.1	-28.4	-7.0	-20.4	-17.9	-1.6	10.1	2.1	-18.7	130.5
Competitive Set	-21.7	-6.9	-1.0	0.4	18.8	24.3	20.0	30.7	31.7	37.5	26.7	21.3	10.4	20.6	-2.5	11.5	-12.8	16.4	-1.4	4.6	0.0	-30.2	-31.4	-21.8	-29.5	-26.5	-5.0	-6.9	-22.4	-26.5	129.0
Index (RGI)	23.1	-5.6	-1.6	4.5	-12.3	-18.4	-11.5	-17.4	-11.1	-1.1	3.4	-1.5	-11.0	-18.5	16.4	3.2	53.6	23.6	20.4	-14.1	8.1	13.0	4.4	19.0	12.8	11.7	3.5	18.4	31.6	10.7	0.7
Rank	2 of 6	3 of 6	3 of 6	1 of 6	5 of 6	6 of 6	5 of 6	4 of 6	3 of 6	3 of 6	3 of 6	5 of 6	5 of 6	6 of 6	3 of 6	3 of 6	1 of 6	1 of 6	1 of 6	3 of 6	2 of 6	2 of 6	4 of 6	2 of 6	2 of 6	2 of 6	3 of 6	1 of 6	1 of 6	2 of 6	3 of 6

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Tab 44 - Segmentation at a Glance - My Property vs. Competitive Set - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

December 2019

	Transient			Group			Contract			Total		
			% Chg			% Chg			% Chg			% Chg
Occupancy (%)	My Property	63.7	-16.4	My Property	14.9	114.2	My Property	0.0	0.0	My Property	78.7	-5.4
	Comp set	64.3	-5.9	Comp set	14.2	17.5	Comp set	0.0	0.0	Comp set	78.5	-2.4
	Index (MPI)	99.2	-11.1	Index (MPI)	105.2	82.3	Index (MPI)	0.0	0.0	Index (MPI)	100.3	-3.1
ADR	My Property	431.65	7.3	My Property	483.13	8.8	My Property	0.00	0.0	My Property	441.43	8.8
	Comp set	424.36	3.5	Comp set	493.99	5.8	Comp set	0.00	0.0	Comp set	436.96	4.4
	Index (ARI)	101.7	3.6	Index (ARI)	97.8	2.8	Index (ARI)	0.0	0.0	Index (ARI)	101.0	4.2
RevPAR	My Property	275.14	-10.3	My Property	72.17	133.1	My Property	0.00	0.0	My Property	347.31	2.9
	Comp set	272.70	-2.6	Comp set	70.15	24.4	Comp set	0.00	0.0	Comp set	342.85	1.9
	Index (RGI)	100.9	-7.9	Index (RGI)	102.9	87.4	Index (RGI)	0.0	0.0	Index (RGI)	101.3	0.9

Year To Date

	Transient			Group			Contract			Total		
			% Chg			% Chg			% Chg			% Chg
Occupancy (%)	My Property	62.0	2.0	My Property	17.4	4.3	My Property	0.0	0.0	My Property	79.3	2.5
	Comp set	60.0	-2.1	Comp set	16.0	10.4	Comp set	0.0	0.0	Comp set	76.0	0.3
	Index (MPI)	103.4	4.2	Index (MPI)	108.4	-5.4	Index (MPI)	0.0	0.0	Index (MPI)	104.4	2.2
ADR	My Property	364.58	-4.3	My Property	376.37	1.4	My Property	0.00	0.0	My Property	367.16	-3.1
	Comp set	393.74	-0.6	Comp set	428.16	1.4	Comp set	0.00	0.0	Comp set	401.00	-0.1
	Index (ARI)	92.6	-3.7	Index (ARI)	87.9	0.0	Index (ARI)	0.0	0.0	Index (ARI)	91.6	-3.0
RevPAR	My Property	225.96	-2.4	My Property	65.33	5.9	My Property	0.00	0.0	My Property	291.28	-0.6
	Comp set	236.09	-2.7	Comp set	68.56	11.9	Comp set	0.00	0.0	Comp set	304.65	0.2
	Index (RGI)	95.7	0.4	Index (RGI)	95.3	-5.4	Index (RGI)	0.0	0.0	Index (RGI)	95.6	-0.9

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Tab 45 - Segmentation Occupancy Analysis - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Occupancy (%)												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018 Jul	50.8	63.4	70.0	17.2	11.2	11.6	0.0	0.0	1.6	68.0	74.6	83.2	6.8	-11.2	-2.3	2.3	-13.0	-11.1	0.0	0.0	624.1	5.6	-11.5	-2.0
Aug	61.9	65.3	70.0	9.9	10.5	12.6	0.0	0.0	1.3	71.8	75.7	83.9	7.7	-13.7	-1.3	-9.3	22.7	4.6	0.0	0.0	935.2	5.0	-10.0	0.9
Sep	61.9	62.8	60.9	20.7	16.0	21.5	0.0	0.0	1.4	82.6	78.8	83.8	1.6	-9.7	-5.1	14.4	3.1	-8.9	0.0	0.0	1876.7	4.5	-7.4	-4.6
Oct	67.2	63.9	68.9	23.1	21.1	17.6	0.0	0.0	1.2	90.3	85.0	87.6	13.6	1.0	-1.9	-10.1	-8.6	4.2	0.0	0.0	1437.0	6.4	-1.6	0.5
Nov	62.3	64.1	68.5	18.3	12.7	14.3	0.0	0.0	1.0	80.5	76.8	83.7	-6.7	-1.6	-2.9	32.9	-28.0	-7.4	0.0	0.0	1369.9	0.1	-7.2	-2.6
Dec	76.2	68.3	73.8	7.0	12.1	8.8	0.0	0.0	0.8	83.2	80.4	83.4	4.8	-1.4	-5.2	11.1	-7.0	-5.9	0.0	0.0	1352.2	5.3	-2.3	-4.4
2019 Jan	42.5	46.9	55.3	18.1	12.6	10.0	0.0	0.0	0.8	60.6	59.5	66.2	-13.6	-12.9	-10.7	185.5	6.5	-3.0	0.0	0.0	1124.5	9.2	-9.4	-8.6
Feb	54.9	56.2	57.5	18.8	13.4	10.1	0.0	0.0	0.8	73.7	69.5	68.4	16.6	-3.4	-8.7	-10.7	-20.3	-12.0	0.0	0.0	927.3	8.2	-7.2	-8.3
Mar	65.7	57.9	60.3	14.5	18.4	13.1	0.0	0.0	0.7	80.2	76.3	74.1	13.0	-4.9	-7.8	-11.4	15.3	-26.9	0.0	0.0	878.9	7.6	-0.7	-11.1
Apr	71.3	63.9	66.0	11.1	16.5	12.9	0.0	0.0	0.6	82.5	80.4	79.5	12.9	20.0	-3.8	-41.4	16.1	-10.9	0.0	0.0	-26.4	0.4	19.2	-5.2
May	61.9	59.4	66.0	18.5	21.2	15.1	0.0	0.0	0.6	80.4	80.7	81.7	-2.8	-5.4	-2.4	-10.7	61.0	-1.1	0.0	0.0	-41.7	-4.7	6.2	-2.6
Jun	62.8	62.6	67.8	18.7	15.9	14.3	0.0	0.0	0.6	81.5	78.5	82.7	-1.2	8.8	0.7	-6.5	-16.1	-9.0	0.0	0.0	-58.2	-2.5	2.6	-2.1
Jul	56.6	63.4	67.4	19.2	11.4	13.8	0.0	0.0	0.5	75.7	74.7	81.7	11.3	0.0	-3.8	11.3	1.4	19.2	0.0	0.0	-65.8	11.3	0.2	-1.8
Aug	71.1	64.6	68.4	9.3	11.4	12.6	0.0	0.0	0.5	80.4	76.1	81.5	15.0	-1.0	-2.3	-6.8	9.3	0.3	0.0	0.0	-63.0	12.0	0.4	-2.9
Sep	70.8	59.6	62.8	14.6	19.1	21.0	0.0	0.0	0.5	85.3	78.6	84.3	14.3	-5.2	3.1	-29.7	19.4	-2.5	0.0	0.0	-62.4	3.3	-0.2	0.6
Oct	70.3	63.5	69.3	20.4	18.3	15.4	0.0	0.0	0.5	90.7	81.8	85.1	4.7	-0.7	0.6	-11.8	-13.2	-12.6	0.0	0.0	-58.8	0.5	-3.8	-2.8
Nov	51.6	57.1	68.3	30.7	19.7	13.6	0.0	0.0	0.5	82.3	76.8	82.4	-17.1	-11.0	-0.2	67.7	55.3	-4.8	0.0	0.0	-47.9	2.2	-0.1	-1.5
Dec	63.7	64.3	75.1	14.9	14.2	9.6	0.0	0.0	0.5	78.7	78.5	85.2	-16.4	-5.9	1.8	114.2	17.5	8.7	0.0	0.0	-29.8	-5.4	-2.4	2.2
Year To Date																								
2017	58.2	62.7	66.8	15.1	15.3	14.5	0.0	0.0	0.1	73.3	78.0	81.4	-1.2	5.4	2.6	20.2	-6.3	-2.9	0.0	0.0	-46.4	2.6	2.8	1.5
2018	60.7	61.2	67.2	16.6	14.5	14.3	0.0	0.0	0.9	77.4	75.7	82.3	4.3	-2.3	0.5	10.1	-5.5	-1.7	0.0	0.0	704.8	5.5	-2.9	1.1
2019	62.0	60.0	65.5	17.4	16.0	13.5	0.0	0.0	0.6	79.3	76.0	79.6	2.0	-2.1	-2.5	4.3	10.4	-5.5	0.0	0.0	-32.2	2.5	0.3	-3.3
Running 3 Month																								
2017	66.4	65.9	72.8	15.0	17.9	13.9	0.0	0.0	0.1	81.4	83.8	86.8	11.4	9.9	7.2	7.3	18.7	-4.7	0.0	0.0	-62.3	10.6	11.7	5.0
2018	68.6	65.5	70.4	16.1	15.3	13.5	0.0	0.0	1.0	84.7	80.8	84.9	3.4	-0.7	-3.3	7.3	-14.4	-2.6	0.0	0.0	1389.2	4.1	-3.6	-2.2
2019	62.0	61.6	70.9	21.9	17.4	12.8	0.0	0.0	0.5	83.9	79.0	84.3	-9.6	-5.8	0.8	36.0	13.5	-5.2	0.0	0.0	-47.5	-1.0	-2.2	-0.7
Running 12 Month																								
2017	58.2	62.7	66.8	15.1	15.3	14.5	0.0	0.0	0.1	73.3	78.0	81.4	-1.2	5.4	2.6	20.2	-6.3	-2.9	0.0	0.0	-46.4	2.6	2.8	1.5
2018	60.7	61.2	67.2	16.6	14.5	14.3	0.0	0.0	0.9	77.4	75.7	82.3	4.3	-2.3	0.5	10.1	-5.5	-1.7	0.0	0.0	704.8	5.5	-2.9	1.1
2019	62.0	60.0	65.5	17.4	16.0	13.5	0.0	0.0	0.6	79.3	76.0	79.6	2.0	-2.1	-2.5	4.3	10.4	-5.5	0.0	0.0	-32.2	2.5	0.3	-3.3

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Tab 46 - Segmentation ADR Analysis - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		Average Daily Rate												Percent Change (%)									
		Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month		My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018	Jul	355.44	379.98	402.30	332.79	387.07	438.77	0.00	0.00	295.52	349.70	381.05	405.32	9.4	12.4	8.0	3.9	14.3	3.1	0.0	0.0	5.3	8.0	12.7	6.6
	Aug	321.08	359.36	394.12	279.10	390.74	396.86	0.00	0.00	292.27	315.26	363.69	393.00	6.4	10.1	6.7	11.4	23.1	16.6	0.0	0.0	8.6	7.4	11.8	7.7
	Sep	451.89	485.17	542.69	408.67	518.37	761.05	0.00	0.00	303.30	441.06	491.90	594.83	2.8	5.7	3.9	-7.3	1.8	7.5	0.0	0.0	34.3	0.2	5.1	4.0
	Oct	463.17	471.39	558.43	423.49	451.55	535.79	0.00	0.00	346.30	453.02	466.46	551.06	7.5	4.9	8.8	-4.8	-5.9	10.8	0.0	0.0	34.3	4.1	2.0	8.6
	Nov	398.98	412.30	554.98	454.89	482.82	540.86	0.00	0.00	338.35	411.67	423.96	550.11	4.9	-1.1	10.7	0.3	13.2	12.6	0.0	0.0	85.4	4.8	1.2	10.6
	Dec	402.35	409.96	572.55	444.05	466.72	666.95	0.00	0.00	304.51	405.85	418.49	580.06	1.5	-0.3	10.2	16.3	17.6	11.6	0.0	0.0	38.5	2.7	2.4	9.9
2019	Jan	297.74	301.95	352.14	260.63	312.67	340.33	0.00	0.00	294.06	286.65	304.23	349.64	-0.1	-1.3	5.3	-2.4	-1.8	5.4	0.0	0.0	-8.2	-2.6	-1.3	5.1
	Feb	300.02	317.08	355.17	291.94	311.61	351.57	0.00	0.00	270.65	297.96	316.03	353.68	-7.6	0.0	4.5	1.8	0.0	8.2	0.0	0.0	-15.2	-4.8	0.1	4.7
	Mar	304.69	335.16	401.63	365.45	332.26	402.59	0.00	0.00	277.42	315.66	334.46	400.57	-9.5	-5.6	1.5	25.1	-10.3	-28.4	0.0	0.0	-16.8	-3.4	-6.6	-7.1
	Apr	364.78	395.60	466.01	346.73	461.29	463.51	0.00	0.00	304.36	362.35	409.08	464.30	0.7	1.2	5.5	-7.5	11.3	4.1	0.0	0.0	7.9	-0.8	3.3	5.4
	May	395.16	424.88	500.60	465.39	469.14	511.16	0.00	0.00	310.97	411.29	436.53	501.18	-3.2	-0.7	-0.5	23.2	7.2	8.2	0.0	0.0	13.0	2.6	1.6	1.3
	Jun	370.04	403.13	466.84	373.84	457.35	449.55	0.00	0.00	319.91	370.91	414.09	462.80	-3.0	-3.6	-1.5	-7.4	-4.1	-0.4	0.0	0.0	11.5	-4.1	-4.3	-0.8
	Jul	333.59	380.10	410.47	312.80	386.38	377.92	0.00	0.00	335.88	328.33	381.05	404.47	-6.1	0.0	2.0	-6.0	-0.2	-13.9	0.0	0.0	13.7	-6.1	0.0	-0.2
	Aug	304.65	359.60	391.52	246.12	435.92	359.12	0.00	0.00	331.11	297.90	371.07	386.15	-5.1	0.1	-0.7	-11.8	11.6	-9.5	0.0	0.0	13.3	-5.5	2.0	-1.7
	Sep	433.28	484.59	532.75	459.38	480.67	745.64	0.00	0.00	302.63	437.73	483.64	584.30	-4.1	-0.1	-1.8	12.4	-7.3	-2.0	0.0	0.0	-0.2	-0.8	-1.7	-1.8
	Oct	407.18	447.08	529.54	442.53	471.74	497.21	0.00	0.00	318.45	415.12	452.60	522.51	-12.1	-5.2	-5.2	4.5	4.5	-7.2	0.0	0.0	-8.0	-8.4	-3.0	-5.2
	Nov	399.38	421.49	516.33	400.39	452.56	492.72	0.00	0.00	322.39	399.76	429.48	511.27	0.1	2.2	-7.0	-12.0	-6.3	-8.9	0.0	0.0	-4.7	-2.9	1.3	-7.1
	Dec	431.65	424.36	564.58	483.13	493.99	611.64	0.00	0.00	297.01	441.43	436.96	568.18	7.3	3.5	-1.4	8.8	5.8	-8.3	0.0	0.0	-2.5	8.8	4.4	-2.0
Year To Date																									
2017		369.62	378.47	433.25	376.43	402.94	464.47	0.00	0.00	277.44	371.02	383.28	438.61	-9.6	3.4	0.4	-3.7	1.9	-2.2	0.0	0.0	-50.3	-8.5	2.9	-0.3
2018		381.01	396.32	460.17	371.02	422.26	508.32	0.00	0.00	302.63	378.86	401.29	466.83	3.1	4.7	6.2	-1.4	4.8	9.4	0.0	0.0	9.1	2.1	4.7	6.4
2019		364.58	393.74	462.86	376.37	428.16	484.33	0.00	0.00	304.66	367.16	401.00	465.31	-4.3	-0.6	0.6	1.4	1.4	-4.7	0.0	0.0	0.7	-3.1	-0.1	-0.3
Running 3 Month																									
2017		400.96	425.22	511.73	438.43	442.38	507.89	0.00	0.00	222.74	407.87	428.89	510.90	-0.4	2.5	1.8	13.0	0.5	0.1	0.0	0.0	-59.7	2.0	2.2	1.4
2018		421.42	430.91	562.32	438.12	464.03	566.26	0.00	0.00	332.56	424.59	437.19	560.35	5.1	1.3	9.9	-0.1	4.9	11.5	0.0	0.0	49.3	4.1	1.9	9.7
2019		413.54	431.37	537.89	432.63	470.76	524.40	0.00	0.00	312.04	418.52	440.04	534.49	-1.9	0.1	-4.3	-1.3	1.5	-7.4	0.0	0.0	-6.2	-1.4	0.7	-4.6
Running 12 Month																									
2017		369.62	378.47	433.25	376.43	402.94	464.47	0.00	0.00	277.44	371.02	383.28	438.61	-9.6	3.4	0.4	-3.7	1.9	-2.2	0.0	0.0	-50.3	-8.5	2.9	-0.3
2018		381.01	396.32	460.17	371.02	422.26	508.32	0.00	0.00	302.63	378.86	401.29	466.83	3.1	4.7	6.2	-1.4	4.8	9.4	0.0	0.0	9.1	2.1	4.7	6.4
2019		364.58	393.74	462.86	376.37	428.16	484.33	0.00	0.00	304.66	367.16	401.00	465.31	-4.3	-0.6	0.6	1.4	1.4	-4.7	0.0	0.0	0.7	-3.1	-0.1	-0.3

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Tab 47 - Segmentation RevPAR Analysis - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		RevPAR												Percent Change (%)									
		Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month		My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
2018	Jul	180.54	240.76	281.79	57.35	43.43	50.76	0.00	0.00	4.73	237.90	284.19	337.28	16.8	-0.2	5.6	6.2	-0.5	-8.3	0.0	0.0	662.7	14.1	-0.3	4.5
	Aug	198.61	234.60	276.08	27.77	40.87	50.05	0.00	0.00	3.67	226.38	275.47	329.80	14.6	-5.0	5.4	1.0	51.1	22.0	0.0	0.0	1024.3	12.7	0.5	8.7
	Sep	279.75	304.85	330.57	84.60	82.76	163.76	0.00	0.00	4.16	364.35	387.62	498.49	4.4	-4.6	-1.4	6.0	5.0	-2.0	0.0	0.0	2554.4	4.8	-2.7	-0.8
	Oct	311.14	301.19	384.55	97.78	95.36	94.09	0.00	0.00	4.05	408.92	396.55	482.69	22.1	6.0	6.7	-14.4	-14.0	15.5	0.0	0.0	1964.6	10.8	0.4	9.2
	Nov	248.39	264.45	380.02	83.16	61.35	77.33	0.00	0.00	3.22	331.55	325.80	460.57	-2.1	-2.6	7.5	33.2	-18.5	4.2	0.0	0.0	2625.2	4.9	-6.0	7.7
	Dec	306.72	280.01	422.71	30.96	56.40	58.72	0.00	0.00	2.32	337.68	336.41	483.76	6.4	-1.7	4.5	29.2	9.4	5.0	0.0	0.0	1910.7	8.1	0.0	5.0
2019	Jan	126.52	141.53	194.84	47.18	39.55	34.08	0.00	0.00	2.38	173.70	181.08	231.30	-13.6	-14.0	-6.0	178.6	4.7	2.2	0.0	0.0	1024.1	6.3	-10.5	-4.0
	Feb	164.73	178.17	204.21	54.98	41.62	35.48	0.00	0.00	2.10	219.71	219.79	241.78	7.8	-3.4	-4.7	-9.1	-20.3	-4.8	0.0	0.0	770.8	3.0	-7.1	-3.9
	Mar	200.13	194.03	242.10	52.88	61.08	52.81	0.00	0.00	2.03	253.01	255.11	296.94	2.3	-10.2	-6.4	10.9	3.4	-47.7	0.0	0.0	714.0	3.9	-7.3	-17.4
	Apr	260.26	252.89	307.78	38.50	76.12	59.60	0.00	0.00	1.95	298.76	329.01	369.33	13.7	21.4	1.5	-45.9	29.3	-7.2	0.0	0.0	-20.6	-0.4	23.1	-0.1
	May	244.64	252.56	330.49	85.89	99.64	77.11	0.00	0.00	1.84	330.53	352.20	409.44	-5.9	-6.0	-2.9	10.0	72.6	7.0	0.0	0.0	-34.2	-2.3	7.9	-1.4
	Jun	232.25	252.36	316.50	69.90	72.57	64.49	0.00	0.00	1.89	302.16	324.93	382.87	-4.1	4.8	-0.8	-13.4	-19.5	-9.3	0.0	0.0	-53.4	-6.5	-1.8	-2.8
	Jul	188.67	240.86	276.57	59.98	43.94	52.11	0.00	0.00	1.84	248.65	284.81	330.52	4.5	0.0	-1.9	4.6	1.2	2.7	0.0	0.0	-61.1	4.5	0.2	-2.0
	Aug	216.69	232.35	267.86	22.82	49.86	45.41	0.00	0.00	1.54	239.51	282.21	314.81	9.1	-1.0	-3.0	-17.8	22.0	-9.3	0.0	0.0	-58.1	5.8	2.4	-4.5
	Sep	306.67	288.74	334.65	66.85	91.60	156.36	0.00	0.00	1.56	373.52	380.35	492.58	9.6	-5.3	1.2	-21.0	10.7	-4.5	0.0	0.0	-62.5	2.5	-1.9	-1.2
	Oct	286.31	283.68	366.90	90.13	86.43	76.35	0.00	0.00	1.54	376.44	370.10	444.79	-8.0	-5.8	-4.6	-7.8	-9.4	-18.8	0.0	0.0	-62.1	-7.9	-6.7	-7.9
	Nov	206.19	240.52	352.78	122.72	89.32	67.10	0.00	0.00	1.60	328.91	329.84	421.47	-17.0	-9.1	-7.2	47.6	45.6	-13.2	0.0	0.0	-50.4	-0.8	1.2	-8.5
	Dec	275.14	272.70	424.17	72.17	70.15	58.54	0.00	0.00	1.59	347.31	342.85	484.31	-10.3	-2.6	0.3	133.1	24.4	-0.3	0.0	0.0	-31.5	2.9	1.9	0.1
Year To Date																									
2017		215.19	237.22	289.43	56.89	61.84	67.45	0.00	0.00	0.30	272.08	299.06	357.18	-10.7	8.9	3.1	15.8	-4.5	-5.0	0.0	0.0	-73.3	-6.2	5.8	1.2
2018		231.41	242.66	309.09	61.72	61.27	72.53	0.00	0.00	2.66	293.13	303.93	384.27	7.5	2.3	6.8	8.5	-0.9	7.5	0.0	0.0	777.9	7.7	1.6	7.6
2019		225.96	236.09	303.13	65.33	68.56	65.30	0.00	0.00	1.81	291.28	304.65	370.24	-2.4	-2.7	-1.9	5.9	11.9	-10.0	0.0	0.0	-31.7	-0.6	0.2	-3.7
Running 3 Month																									
2017		266.07	280.29	372.70	65.75	79.27	70.63	0.00	0.00	0.14	331.83	359.56	443.47	11.0	12.7	9.1	21.3	19.3	-4.6	0.0	0.0	-84.8	12.9	14.1	6.5
2018		289.19	282.07	395.93	70.50	71.14	76.71	0.00	0.00	3.20	359.69	353.21	475.83	8.7	0.6	6.2	7.2	-10.3	8.6	0.0	0.0	2123.4	8.4	-1.8	7.3
2019		256.42	265.91	381.59	94.70	81.89	67.33	0.00	0.00	1.57	351.12	347.79	450.50	-11.3	-5.7	-3.6	34.3	15.1	-12.2	0.0	0.0	-50.8	-2.4	-1.5	-5.3
Running 12 Month																									
2017		215.19	237.22	289.43	56.89	61.84	67.45	0.00	0.00	0.30	272.08	299.06	357.18	-10.7	8.9	3.1	15.8	-4.5	-5.0	0.0	0.0	-73.3	-6.2	5.8	1.2
2018		231.41	242.66	309.09	61.72	61.27	72.53	0.00	0.00	2.66	293.13	303.93	384.27	7.5	2.3	6.8	8.5	-0.9	7.5	0.0	0.0	777.9	7.7	1.6	7.6
2019		225.96	236.09	303.13	65.33	68.56	65.30	0.00	0.00	1.81	291.28	304.65	370.24	-2.4	-2.7	-1.9	5.9	11.9	-10.0	0.0	0.0	-31.7	-0.6	0.2	-3.7

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Tab 48 - Segmentation Index Analysis - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Indexes												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2018 Jul	80.2	93.5	75.0	153.6	86.0	132.1	0.0	0.0	0.0	91.2	91.8	83.7	20.3	-2.7	17.1	17.5	-9.1	6.8	0.0	0.0	0.0	19.4	-4.1	14.4
Aug	94.8	89.3	84.7	95.1	71.4	67.9	0.0	0.0	0.0	94.8	86.7	82.2	24.9	-3.4	20.6	-26.1	-9.5	-33.2	0.0	0.0	0.0	16.7	-3.9	12.1
Sep	98.5	93.1	91.8	129.7	78.8	102.2	0.0	0.0	0.0	104.8	89.7	94.0	12.6	-2.8	9.4	10.9	-9.0	1.0	0.0	0.0	0.0	12.9	-4.6	7.6
Oct	105.1	98.3	103.3	109.3	93.8	102.5	0.0	0.0	0.0	106.2	97.1	103.1	12.5	2.4	15.2	-1.6	1.1	-0.5	0.0	0.0	0.0	8.1	2.1	10.4
Nov	97.1	96.8	93.9	143.9	94.2	135.6	0.0	0.0	0.0	104.8	97.1	101.8	-5.2	6.1	0.6	84.5	-11.4	63.4	0.0	0.0	0.0	7.8	3.5	11.7
Dec	111.6	98.1	109.5	57.7	95.1	54.9	0.0	0.0	0.0	103.5	97.0	100.4	6.4	1.7	8.2	19.5	-1.1	18.1	0.0	0.0	0.0	7.8	0.3	8.1
2019 Jan	90.7	98.6	89.4	143.1	83.4	119.3	0.0	0.0	0.0	101.8	94.2	95.9	-0.8	1.3	0.5	168.0	-0.7	166.2	0.0	0.0	0.0	20.5	-1.4	18.8
Feb	97.7	94.6	92.5	141.0	93.7	132.1	0.0	0.0	0.0	106.0	94.3	100.0	20.8	-7.6	11.6	12.1	1.8	14.1	0.0	0.0	0.0	16.6	-4.9	10.9
Mar	113.5	90.9	103.1	78.7	110.0	86.6	0.0	0.0	0.0	105.1	94.4	99.2	18.8	-4.1	13.9	-23.2	39.5	7.2	0.0	0.0	0.0	8.4	3.4	12.1
Apr	111.6	92.2	102.9	67.3	75.2	50.6	0.0	0.0	0.0	102.5	88.6	90.8	-5.9	-0.4	-6.3	-49.6	-17.0	-58.1	0.0	0.0	0.0	-15.8	-4.0	-19.1
May	104.1	93.0	96.9	86.9	99.2	86.2	0.0	0.0	0.0	99.6	94.2	93.8	2.7	-2.6	0.1	-44.6	14.9	-36.3	0.0	0.0	0.0	-10.3	1.0	-9.4
Jun	100.3	91.8	92.0	117.9	81.7	96.3	0.0	0.0	0.0	103.8	89.6	93.0	-9.2	0.7	-8.5	11.4	-3.5	7.6	0.0	0.0	0.0	-5.0	0.3	-4.7
Jul	89.3	87.8	78.3	168.6	81.0	136.5	0.0	0.0	0.0	101.3	86.2	87.3	11.3	-6.2	4.5	9.8	-5.8	3.4	0.0	0.0	0.0	11.1	-6.1	4.3
Aug	110.1	84.7	93.3	81.1	56.5	45.8	0.0	0.0	0.0	105.7	80.3	84.9	16.2	-5.2	10.2	-14.8	-21.0	-32.6	0.0	0.0	0.0	11.5	-7.4	3.3
Sep	118.8	89.4	106.2	76.4	95.6	73.0	0.0	0.0	0.0	108.5	90.5	98.2	20.6	-4.0	15.7	-41.1	21.2	-28.6	0.0	0.0	0.0	3.5	0.9	4.5
Oct	110.8	91.1	100.9	111.2	93.8	104.3	0.0	0.0	0.0	110.9	91.7	101.7	5.4	-7.3	-2.3	1.7	0.0	1.7	0.0	0.0	0.0	4.4	-5.6	-1.4
Nov	90.5	94.8	85.7	155.3	88.5	137.4	0.0	0.0	0.0	107.1	93.1	99.7	-6.8	-2.1	-8.7	7.9	-6.1	1.4	0.0	0.0	0.0	2.2	-4.1	-2.0
Dec	99.2	101.7	100.9	105.2	97.8	102.9	0.0	0.0	0.0	100.3	101.0	101.3	-11.1	3.6	-7.9	82.3	2.8	87.4	0.0	0.0	0.0	-3.1	4.2	0.9
Year To Date																								
2017	92.9	97.7	90.7	98.5	93.4	92.0	0.0	0.0	0.0	94.0	96.8	91.0	-6.2	-12.5	-18.0	28.3	-5.5	21.2	0.0	0.0	0.0	-0.3	-11.1	-11.4
2018	99.2	96.1	95.4	114.7	87.9	100.7	0.0	0.0	0.0	102.2	94.4	96.4	6.8	-1.6	5.1	16.4	-5.9	9.5	0.0	0.0	0.0	8.7	-2.5	6.0
2019	103.4	92.6	95.7	108.4	87.9	95.3	0.0	0.0	0.0	104.4	91.6	95.6	4.2	-3.7	0.4	-5.4	0.0	-5.4	0.0	0.0	0.0	2.2	-3.0	-0.9
Running 3 Month																								
2017	100.7	94.3	94.9	83.7	99.1	82.9	0.0	0.0	0.0	97.0	95.1	92.3	1.4	-2.9	-1.5	-9.6	12.5	1.7	0.0	0.0	0.0	-0.9	-0.1	-1.1
2018	104.8	97.8	102.5	105.0	94.4	99.1	0.0	0.0	0.0	104.9	97.1	101.8	4.1	3.7	8.0	25.4	-4.7	19.5	0.0	0.0	0.0	8.1	2.1	10.3
2019	100.6	95.9	96.4	125.9	91.9	115.7	0.0	0.0	0.0	106.2	95.1	101.0	-4.0	-2.0	-5.9	19.9	-2.7	16.7	0.0	0.0	0.0	1.2	-2.1	-0.9
Running 12 Month																								
2017	92.9	97.7	90.7	98.5	93.4	92.0	0.0	0.0	0.0	94.0	96.8	91.0	-6.2	-12.5	-18.0	28.3	-5.5	21.2	0.0	0.0	0.0	-0.3	-11.1	-11.4
2018	99.2	96.1	95.4	114.7	87.9	100.7	0.0	0.0	0.0	102.2	94.4	96.4	6.8	-1.6	5.1	16.4	-5.9	9.5	0.0	0.0	0.0	8.7	-2.5	6.0
2019	103.4	92.6	95.7	108.4	87.9	95.3	0.0	0.0	0.0	104.4	91.6	95.6	4.2	-3.7	0.4	-5.4	0.0	-5.4	0.0	0.0	0.0	2.2	-3.0	-0.9

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Tab 49 - Segmentation Ranking Analysis - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Ranking												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
Current Month	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2018 Jul	6 of 6	3 of 6	5 of 6	2 of 6	4 of 6	3 of 6				5 of 6	3 of 6	3 of 6	1 of 6	4 of 6	2 of 6	4 of 6	4 of 6	4 of 6				2 of 6	4 of 6	3 of 6
Aug	4 of 6	3 of 6	4 of 6	3 of 6	5 of 6	4 of 6				5 of 6	3 of 6	3 of 6	1 of 6	3 of 6	3 of 6	5 of 6	4 of 6	5 of 6				1 of 6	3 of 6	3 of 6
Sep	3 of 6	3 of 6	4 of 6	3 of 6	4 of 6	2 of 6				3 of 6	3 of 6	3 of 6	2 of 6	4 of 6	4 of 6	4 of 6	4 of 6	4 of 6				2 of 6	4 of 6	3 of 6
Oct	2 of 6	3 of 6	4 of 6	3 of 6	2 of 6	4 of 6				2 of 6	3 of 6	3 of 6	2 of 6	4 of 6	3 of 6	4 of 6	5 of 6	5 of 6				2 of 6	5 of 6	4 of 6
Nov	4 of 6	3 of 6	4 of 6	2 of 6	2 of 6	2 of 6				3 of 6	3 of 6	3 of 6	4 of 6	3 of 6	5 of 6	1 of 6	4 of 6	2 of 6				3 of 6	3 of 6	4 of 6
Dec	2 of 6	3 of 6	3 of 6	4 of 6	3 of 6	4 of 6				2 of 6	3 of 6	3 of 6	1 of 6	5 of 6	2 of 6	3 of 6	4 of 6	3 of 6				2 of 6	5 of 6	3 of 6
2019 Jan	4 of 6	3 of 6	4 of 6	2 of 6	3 of 6	3 of 6				5 of 6	3 of 6	3 of 6	4 of 6	4 of 6	4 of 6	1 of 6	4 of 6	1 of 6				2 of 6	4 of 6	2 of 6
Feb	3 of 6	3 of 6	4 of 6	3 of 6	4 of 6	3 of 6				2 of 6	3 of 6	4 of 6	2 of 6	5 of 6	3 of 6	3 of 6	4 of 6	2 of 6				1 of 6	5 of 6	3 of 6
Mar	2 of 6	3 of 6	4 of 6	5 of 6	2 of 6	4 of 6				2 of 6	3 of 6	3 of 6	1 of 6	5 of 6	4 of 6	4 of 6	1 of 6	4 of 6				2 of 6	5 of 6	2 of 6
Apr	2 of 6	3 of 6	4 of 6	5 of 6	3 of 6	5 of 6				2 of 6	3 of 6	4 of 6	3 of 6	3 of 6	3 of 6	6 of 6	5 of 6	6 of 6				4 of 6	4 of 6	5 of 6
May	2 of 6	3 of 6	4 of 6	5 of 6	3 of 6	4 of 6				3 of 6	3 of 6	3 of 6	3 of 6	5 of 6	4 of 6	6 of 6	2 of 6	6 of 6				5 of 6	3 of 6	5 of 6
Jun	3 of 6	3 of 6	4 of 6	3 of 6	4 of 6	4 of 6				3 of 6	3 of 6	3 of 6	5 of 6	3 of 6	5 of 6	2 of 6	4 of 6	3 of 6				5 of 6	4 of 6	3 of 6
Jul	6 of 6	3 of 6	4 of 6	1 of 6	4 of 6	3 of 6				3 of 6	3 of 6	3 of 6	2 of 6	4 of 6	2 of 6	3 of 6	5 of 6	3 of 6				2 of 6	5 of 6	2 of 6
Aug	3 of 6	3 of 6	4 of 6	3 of 6	6 of 6	3 of 6				3 of 6	3 of 6	3 of 6	2 of 6	4 of 6	1 of 6	4 of 6	5 of 6	4 of 6				2 of 6	5 of 6	2 of 6
Sep	2 of 6	3 of 6	4 of 6	5 of 6	3 of 6	5 of 6				3 of 6	3 of 6	3 of 6	1 of 6	4 of 6	1 of 6	6 of 6	2 of 6	5 of 6				2 of 6	4 of 6	3 of 6
Oct	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6	3 of 6				1 of 6	3 of 6	3 of 6	2 of 6	5 of 6	5 of 6	4 of 6	2 of 6	3 of 6				2 of 6	4 of 6	4 of 6
Nov	4 of 6	3 of 6	4 of 6	1 of 6	3 of 6	2 of 6				2 of 6	3 of 6	3 of 6	4 of 6	4 of 6	4 of 6	3 of 6	4 of 6	3 of 6				3 of 6	6 of 6	3 of 6
Dec	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6	3 of 6				4 of 6	3 of 6	3 of 6	5 of 6	2 of 6	5 of 6	1 of 6	3 of 6	2 of 6				4 of 6	2 of 6	2 of 6
Year To Date																								
2017	4 of 6	4 of 6	5 of 6	4 of 6	3 of 6	4 of 6				4 of 6	4 of 6	4 of 6	4 of 5	5 of 5	5 of 5	3 of 5	2 of 5	3 of 5				4 of 5	5 of 5	5 of 5
2018	4 of 6	3 of 6	4 of 6	3 of 6	4 of 6	3 of 6				4 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	5 of 6	3 of 6				3 of 6	3 of 6	3 of 6
2019	3 of 6	3 of 6	4 of 6	4 of 6	3 of 6	3 of 6				3 of 6	3 of 6	3 of 6	2 of 6	5 of 6	4 of 6	4 of 6	4 of 6	4 of 6				2 of 6	5 of 6	4 of 6
Running 3 Month																								
2017	3 of 6	4 of 6	5 of 6	5 of 6	3 of 6	3 of 6				4 of 6	4 of 6	4 of 6	3 of 5	2 of 5	3 of 5	4 of 5	1 of 5	3 of 5				2 of 5	2 of 5	2 of 5
2018	3 of 6	3 of 6	4 of 6	4 of 6	2 of 6	3 of 6				3 of 6	3 of 6	3 of 6	2 of 6	4 of 6	4 of 6	3 of 6	4 of 6	3 of 6				2 of 6	4 of 6	3 of 6
2019	3 of 6	3 of 6	4 of 6	2 of 6	3 of 6	3 of 6				2 of 6	3 of 6	3 of 6	6 of 6	4 of 6	4 of 6	1 of 6	3 of 6	1 of 6				2 of 6	4 of 6	3 of 6
Running 12 Month																								
2017	4 of 6	4 of 6	5 of 6	4 of 6	3 of 6	4 of 6				4 of 6	4 of 6	4 of 6	4 of 5	5 of 5	5 of 5	3 of 5	2 of 5	3 of 5				4 of 5	5 of 5	5 of 5
2018	4 of 6	3 of 6	4 of 6	3 of 6	4 of 6	3 of 6				4 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	5 of 6	3 of 6				3 of 6	3 of 6	3 of 6
2019	3 of 6	3 of 6	4 of 6	4 of 6	3 of 6	3 of 6				3 of 6	3 of 6	3 of 6	2 of 6	5 of 6	4 of 6	4 of 6	4 of 6	4 of 6				2 of 6	5 of 6	4 of 6

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Tab 50 - Segmentation Day Of Week - Current Month - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Current Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	58.2	57.9	69.2	14.4	8.1	5.9	0.0	0.0	0.6	72.6	66.0	75.7	-9.0	-5.6	3.1	85.4	-18.4	-1.6	0.0	0.0	-25.0	1.3	-7.3	2.4
Monday	54.3	59.1	71.4	17.4	13.6	9.9	0.0	0.0	0.5	71.6	72.7	81.8	-18.8	-9.0	-0.6	60.5	-6.5	8.5	0.0	0.0	-27.6	-7.8	-8.5	0.2
Tuesday	65.0	62.5	74.3	11.3	17.5	11.4	0.0	0.0	0.5	76.3	80.0	86.2	-11.7	-6.4	4.1	15.9	17.8	-7.4	0.0	0.0	-22.5	-8.4	-2.0	2.2
Wednesday	60.7	61.2	72.2	19.5	19.2	13.1	0.0	0.0	0.5	80.2	80.4	85.9	-19.5	-12.4	-1.2	181.5	54.5	18.1	0.0	0.0	-29.2	-2.6	-2.3	1.1
Thursday	63.4	65.9	76.0	21.2	15.0	10.3	0.0	0.0	0.5	84.6	80.9	86.9	-22.5	-3.7	2.6	323.3	23.3	5.3	0.0	0.0	-25.7	-2.6	0.4	2.7
Weekday	60.2	61.1	72.5	16.4	14.5	10.0	0.0	0.0	0.5	76.6	75.6	83.0	-16.1	-7.4	1.7	101.3	13.7	5.4	0.0	0.0	-26.1	-4.1	-4.0	1.8
Friday	69.5	71.4	81.3	11.0	13.3	8.4	0.0	0.0	0.4	80.5	84.6	90.1	-22.7	-1.1	3.7	1037.4	44.3	25.2	0.0	0.0	-45.1	-11.4	4.1	5.0
Saturday	78.5	75.2	85.0	10.3	13.5	7.7	0.0	0.0	0.5	88.8	88.7	93.1	-7.9	-0.4	4.3	57.5	18.1	2.8	0.0	0.0	-35.9	-3.2	2.0	3.8
Weekend	74.0	73.3	83.1	10.6	13.4	8.0	0.0	0.0	0.5	84.6	86.7	91.6	-15.2	-1.0	3.8	162.1	28.3	12.6	0.0	0.0	-40.5	-7.4	2.6	4.1
Total	63.7	64.3	75.1	14.9	14.2	9.6	0.0	0.0	0.5	78.7	78.5	85.2	-16.4	-5.9	1.8	114.2	17.5	8.7	0.0	0.0	-29.8	-5.4	-2.4	2.2
ADR																								
Sunday	357.67	352.53	481.54	461.65	455.27	580.80	0.00	0.00	299.80	378.33	365.13	487.98	-4.8	-2.5	-7.7	4.7	-6.7	-12.5	0.0	0.0	-3.7	-1.1	-3.7	-8.1
Monday	417.14	423.57	530.46	470.97	498.01	591.85	0.00	0.00	294.66	430.18	437.54	536.32	2.9	5.4	-4.7	4.8	2.5	-11.0	0.0	0.0	-10.1	4.6	4.8	-5.3
Tuesday	488.35	462.97	578.44	475.79	510.50	616.77	0.00	0.00	294.32	486.49	473.38	581.69	17.9	8.5	3.1	8.3	6.3	-3.2	0.0	0.0	-3.3	16.6	8.5	2.1
Wednesday	496.36	456.09	586.31	551.39	521.50	617.57	0.00	0.00	298.05	509.75	471.74	589.24	13.9	5.8	1.4	22.9	5.3	-5.2	0.0	0.0	-6.5	16.7	7.0	0.7
Thursday	434.69	423.82	572.43	503.47	501.76	616.07	0.00	0.00	292.98	451.91	438.31	575.94	5.3	3.0	-2.4	18.3	7.0	-0.8	0.0	0.0	-5.8	9.3	4.3	-2.1
Weekday	438.48	423.41	548.31	493.79	502.20	606.82	0.00	0.00	296.05	450.35	438.52	553.70	7.4	4.4	-2.0	11.6	3.8	-6.2	0.0	0.0	-6.1	9.4	4.9	-2.4
Friday	420.15	420.83	601.24	444.47	476.01	573.68	0.00	0.00	292.04	423.47	429.48	597.22	10.0	2.2	1.0	3.7	18.7	-5.4	0.0	0.0	-2.8	10.7	4.6	0.7
Saturday	410.10	430.09	620.60	438.76	472.06	565.33	0.00	0.00	288.02	413.42	436.47	614.32	3.5	0.9	-0.5	-7.0	11.4	-7.5	0.0	0.0	-9.9	2.9	2.5	-0.9
Weekend	414.82	425.58	611.14	441.71	474.02	569.68	0.00	0.00	289.90	418.20	433.05	605.92	6.4	1.3	0.0	-5.5	14.2	-6.5	0.0	0.0	-6.8	6.4	3.3	-0.4
Total	431.65	424.36	564.58	483.13	493.99	611.64	0.00	0.00	297.01	441.43	436.96	568.18	7.3	3.5	-1.4	8.8	5.8	-8.3	0.0	0.0	-2.5	8.8	4.4	-2.0
RevPAR																								
Sunday	208.12	204.06	333.41	66.59	36.84	34.49	0.00	0.00	1.67	274.72	240.89	369.57	-13.3	-7.9	-4.8	94.2	-23.8	-14.0	0.0	0.0	-27.7	0.2	-10.8	-5.9
Monday	226.45	250.22	378.73	81.72	67.94	58.47	0.00	0.00	1.59	308.17	318.17	438.78	-16.4	-4.1	-5.2	68.2	-4.2	-3.5	0.0	0.0	-34.9	-3.6	-4.1	-5.2
Tuesday	317.51	289.39	429.60	53.71	89.41	70.05	0.00	0.00	1.61	371.23	378.80	501.26	4.2	1.5	7.3	25.6	25.2	-10.4	0.0	0.0	-25.0	6.8	6.3	4.3
Wednesday	301.36	279.08	423.28	107.59	100.35	80.96	0.00	0.00	1.64	408.95	379.43	505.88	-8.3	-7.3	0.2	246.1	62.7	12.0	0.0	0.0	-33.8	13.7	4.6	1.8
Thursday	275.66	279.09	435.01	106.57	75.46	63.75	0.00	0.00	1.54	382.23	354.56	500.30	-18.4	-0.8	0.1	400.8	32.0	4.5	0.0	0.0	-30.0	6.4	4.7	0.5
Weekday	263.85	258.74	397.47	81.16	72.79	60.60	0.00	0.00	1.61	345.01	331.53	459.69	-9.9	-3.2	-0.4	124.6	18.0	-1.2	0.0	0.0	-30.6	4.9	0.7	-0.6
Friday	292.05	300.34	488.75	48.78	63.15	47.96	0.00	0.00	1.24	340.84	363.49	537.95	-15.0	1.1	4.8	1079.7	71.3	18.4	0.0	0.0	-46.6	-1.9	8.9	5.6
Saturday	321.86	323.61	527.42	45.10	63.66	43.40	0.00	0.00	1.39	366.96	387.28	572.22	-4.7	0.5	3.8	46.5	31.5	-4.9	0.0	0.0	-42.2	-0.4	4.5	2.9
Weekend	306.96	311.98	508.08	46.94	63.41	45.68	0.00	0.00	1.32	353.90	375.38	555.08	-9.8	0.3	3.8	147.8	46.5	5.3	0.0	0.0	-44.5	-1.5	6.0	3.7
Total	275.14	272.70	424.17	72.17	70.15	58.54	0.00	0.00	1.59	347.31	342.85	484.31	-10.3	-2.6	0.3	133.1	24.4	-0.3	0.0	0.0	-31.5	2.9	1.9	0.1

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Tab 51 - Segmentation Day Of Week - Year to Date - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Year To Date												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	52.1	52.5	57.6	12.2	11.5	10.3	0.0	0.0	0.6	64.3	64.0	68.6	7.7	-0.3	-2.0	7.5	16.6	-5.7	0.0	0.0	-34.8	7.0	2.3	-3.0
Monday	60.8	58.6	64.1	19.0	18.0	14.1	0.0	0.0	0.6	79.8	76.5	78.8	8.6	-1.8	-2.9	0.8	22.5	-4.0	0.0	0.0	-33.7	6.0	3.0	-3.4
Tuesday	66.6	61.4	67.8	21.3	20.5	16.0	0.0	0.0	0.6	87.8	81.9	84.3	8.1	-5.5	-1.6	-7.1	23.7	-6.2	0.0	0.0	-34.7	3.4	0.4	-2.9
Wednesday	66.0	61.3	67.5	21.8	20.6	16.5	0.0	0.0	0.6	87.8	81.9	84.6	2.7	-6.8	-2.7	-0.8	17.5	-5.9	0.0	0.0	-34.3	1.3	-1.7	-3.7
Thursday	60.9	59.7	65.2	19.5	16.9	14.4	0.0	0.0	0.6	80.3	76.5	80.2	0.1	-1.2	-3.2	13.8	6.4	-7.0	0.0	0.0	-36.7	2.5	0.4	-4.3
Weekday	61.3	58.7	64.5	18.7	17.5	14.3	0.0	0.0	0.6	80.0	76.2	79.3	5.3	-3.3	-2.5	1.8	17.4	-5.7	0.0	0.0	-34.9	3.9	0.8	-3.4
Friday	60.4	60.7	66.0	14.4	12.3	11.8	0.0	0.0	0.6	74.8	73.0	78.3	-2.9	1.8	-2.5	12.2	-10.5	-4.8	0.0	0.0	-38.1	-1.1	-0.5	-3.3
Saturday	67.0	65.4	70.3	13.3	12.4	11.2	0.0	0.0	0.6	80.3	77.8	82.1	-4.1	0.2	-2.4	18.7	-8.5	-3.8	0.0	0.0	-34.6	-0.4	-1.3	-2.9
Weekend	63.7	63.1	68.2	13.9	12.4	11.5	0.0	0.0	0.6	77.6	75.4	80.2	-3.5	0.9	-2.4	15.2	-9.5	-4.3	0.0	0.0	-36.3	-0.7	-0.9	-3.1
Total	62.0	60.0	65.5	17.4	16.0	13.5	0.0	0.0	0.6	79.3	76.0	79.6	2.0	-2.1	-2.5	4.3	10.4	-5.5	0.0	0.0	-32.2	2.5	0.3	-3.3
ADR																								
Sunday	336.29	343.06	413.21	367.35	427.21	489.31	0.00	0.00	305.17	342.17	358.18	423.74	-4.5	-2.1	-1.2	-1.5	3.3	-5.9	0.0	0.0	0.5	-3.9	-0.6	-2.0
Monday	370.87	391.07	464.03	372.00	431.64	488.09	0.00	0.00	309.97	371.14	400.59	467.17	-0.5	0.6	1.1	0.7	-0.8	-4.5	0.0	0.0	-0.4	-0.2	0.7	0.1
Tuesday	396.60	417.38	496.73	380.21	438.26	495.29	0.00	0.00	307.69	392.63	422.60	495.15	-2.3	1.0	2.8	1.8	-1.6	-2.6	0.0	0.0	1.8	-1.1	0.6	1.8
Wednesday	392.95	418.98	498.92	389.72	444.27	492.52	0.00	0.00	303.85	392.15	425.35	496.28	-4.9	-0.1	1.1	2.7	0.2	-2.2	0.0	0.0	0.3	-3.1	0.2	0.5
Thursday	368.97	392.21	467.39	380.73	425.27	473.10	0.00	0.00	304.61	371.82	399.49	467.23	-6.2	-1.6	-0.7	2.6	0.9	-3.5	0.0	0.0	-0.9	-4.3	-1.0	-1.1
Weekday	375.05	394.14	469.90	379.20	434.37	487.92	0.00	0.00	306.25	376.02	403.38	471.92	-3.7	-0.4	0.8	1.5	0.2	-3.6	0.0	0.0	0.2	-2.5	0.0	0.0
Friday	343.65	390.06	447.93	369.55	406.72	455.10	0.00	0.00	305.44	348.65	392.87	447.98	-6.8	-1.3	-0.6	2.5	2.9	-7.4	0.0	0.0	1.4	-4.8	-0.6	-1.6
Saturday	335.23	394.31	449.96	364.42	410.73	456.89	0.00	0.00	303.05	340.07	396.93	449.84	-6.2	-1.3	0.2	0.6	6.8	-7.7	0.0	0.0	0.3	-5.0	0.0	-0.9
Weekend	339.22	392.27	448.98	367.09	408.73	455.97	0.00	0.00	304.21	344.20	394.96	448.93	-6.5	-1.3	-0.2	1.6	4.8	-7.5	0.0	0.0	0.8	-4.9	-0.3	-1.2
Total	364.58	393.74	462.86	376.37	428.16	484.33	0.00	0.00	304.66	367.16	401.00	465.31	-4.3	-0.6	0.6	1.4	1.4	-4.7	0.0	0.0	0.7	-3.1	-0.1	-0.3
RevPAR																								
Sunday	175.23	180.14	238.07	44.69	49.14	50.59	0.00	0.00	1.85	219.92	229.28	290.51	2.8	-2.4	-3.2	5.9	20.4	-11.2	0.0	0.0	-34.5	2.8	1.7	-5.0
Monday	225.62	229.00	297.64	70.52	77.53	68.65	0.00	0.00	1.84	296.14	306.53	368.13	8.1	-1.1	-1.7	1.5	21.5	-8.3	0.0	0.0	-34.0	5.8	3.8	-3.3
Tuesday	263.94	256.26	336.56	80.86	89.70	79.26	0.00	0.00	1.79	344.79	345.97	417.61	5.7	-4.6	1.2	-5.4	21.6	-8.7	0.0	0.0	-33.5	2.2	1.1	-1.1
Wednesday	259.48	256.79	336.76	84.87	91.60	81.26	0.00	0.00	1.83	344.35	348.38	419.86	-2.3	-6.9	-1.7	1.9	17.7	-8.0	0.0	0.0	-34.1	-1.8	-1.5	-3.2
Thursday	224.59	234.04	304.81	74.14	71.72	67.92	0.00	0.00	1.77	298.73	305.76	374.49	-6.1	-2.8	-3.8	16.8	7.4	-10.3	0.0	0.0	-37.3	-1.9	-0.6	-5.3
Weekday	229.90	231.34	302.88	71.05	75.99	69.57	0.00	0.00	1.81	300.95	307.33	374.26	1.4	-3.7	-1.7	3.3	17.6	-9.1	0.0	0.0	-34.7	1.3	0.8	-3.4
Friday	207.50	236.91	295.76	53.31	49.97	53.49	0.00	0.00	1.73	260.81	286.89	350.97	-9.5	0.5	-3.1	15.0	-7.8	-11.8	0.0	0.0	-37.2	-5.9	-1.1	-4.8
Saturday	224.67	257.92	316.31	48.56	51.02	51.23	0.00	0.00	1.81	273.23	308.94	369.35	-10.1	-1.2	-2.2	19.4	-2.3	-11.2	0.0	0.0	-34.4	-5.3	-1.4	-3.8
Weekend	216.09	247.42	306.03	50.93	50.49	52.36	0.00	0.00	1.77	267.02	297.91	360.16	-9.8	-0.4	-2.6	17.1	-5.1	-11.5	0.0	0.0	-35.8	-5.6	-1.2	-4.3
Total	225.96	236.09	303.13	65.33	68.56	65.30	0.00	0.00	1.81	291.28	304.65	370.24	-2.4	-2.7	-1.9	5.9	11.9	-10.0	0.0	0.0	-31.7	-0.6	0.2	-3.7

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Tab 52 - Segmentation Day Of Week - Running 3 Month - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Running 3 Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	56.3	56.2	64.8	18.8	10.8	9.1	0.0	0.0	0.5	75.1	67.0	74.5	0.0	-2.1	2.9	72.3	14.7	5.5	0.0	0.0	-43.2	10.6	0.3	2.7
Monday	56.9	59.7	68.1	22.9	17.1	13.2	0.0	0.0	0.5	79.8	76.8	81.9	-3.7	-3.1	0.8	23.8	9.5	-2.2	0.0	0.0	-47.8	1.8	-0.5	-0.3
Tuesday	62.2	60.5	69.8	23.2	21.2	14.4	0.0	0.0	0.5	85.4	81.6	84.7	-2.4	-5.6	1.8	5.5	15.6	-13.9	0.0	0.0	-47.5	-1.4	-0.9	-1.8
Wednesday	61.5	60.0	69.7	25.7	23.7	16.0	0.0	0.0	0.5	87.1	83.6	86.2	-6.3	-9.7	-0.5	17.7	22.5	-8.4	0.0	0.0	-49.1	-1.3	-2.5	-2.6
Thursday	63.6	62.1	70.5	22.6	18.6	14.3	0.0	0.0	0.5	86.1	80.7	85.3	-10.8	-6.7	-2.0	36.4	4.2	-8.4	0.0	0.0	-50.2	-3.2	-4.4	-3.6
Weekday	60.1	59.7	68.6	22.6	18.3	13.4	0.0	0.0	0.5	82.7	78.0	82.5	-4.8	-5.5	0.6	26.1	13.8	-6.7	0.0	0.0	-47.6	1.0	-1.6	-1.2
Friday	63.9	65.1	75.1	19.2	14.6	11.4	0.0	0.0	0.5	83.1	79.7	87.0	-19.0	-5.5	1.1	46.2	12.9	-3.3	0.0	0.0	-52.7	-10.1	-2.6	-0.1
Saturday	69.7	68.0	78.8	20.9	15.6	11.1	0.0	0.0	0.5	90.6	83.6	90.4	-13.7	-7.6	1.3	124.3	12.3	2.7	0.0	0.0	-46.5	-0.5	-4.4	0.9
Weekend	66.8	66.6	77.0	20.0	15.1	11.3	0.0	0.0	0.5	86.8	81.6	88.7	-16.3	-6.6	1.2	79.8	12.6	-0.5	0.0	0.0	-49.7	-5.3	-3.5	0.4
Total	62.0	61.6	70.9	21.9	17.4	12.8	0.0	0.0	0.5	83.9	79.0	84.3	-9.6	-5.8	0.8	36.0	13.5	-5.2	0.0	0.0	-47.5	-1.0	-2.2	-0.7
ADR																								
Sunday	362.63	360.50	465.77	426.06	481.87	502.16	0.00	0.00	312.87	378.53	380.06	469.17	-5.4	-2.8	-6.6	-1.4	-0.8	-9.2	0.0	0.0	-7.0	-3.2	-1.8	-6.8
Monday	408.48	416.75	516.69	422.03	467.82	520.23	0.00	0.00	311.71	412.36	428.15	515.99	-0.6	0.3	-3.7	-3.2	-0.8	-8.8	0.0	0.0	-10.0	-1.1	0.3	-4.4
Tuesday	452.43	459.97	560.60	446.10	475.49	548.07	0.00	0.00	313.88	450.72	464.00	557.00	0.9	2.3	-1.7	0.7	-1.4	-4.3	0.0	0.0	-5.9	0.9	1.5	-2.0
Wednesday	458.44	461.52	576.71	447.28	478.21	541.56	0.00	0.00	315.23	455.15	466.24	568.69	-1.8	1.2	-3.7	0.8	0.0	-3.8	0.0	0.0	-6.3	-1.3	1.1	-3.4
Thursday	421.08	435.43	554.11	436.95	473.01	514.62	0.00	0.00	306.95	425.24	444.08	546.10	-3.6	-1.1	-6.0	2.3	2.0	-4.8	0.0	0.0	-9.4	-2.2	-0.3	-5.5
Weekday	422.37	428.29	536.28	436.49	475.01	527.98	0.00	0.00	312.20	426.23	439.26	533.57	-1.9	0.1	-4.2	-0.2	-0.1	-5.8	0.0	0.0	-7.8	-1.4	0.4	-4.3
Friday	395.85	433.23	540.60	426.95	457.24	487.29	0.00	0.00	308.45	403.04	437.62	532.35	-3.7	-0.1	-6.0	-2.1	6.0	-7.1	0.0	0.0	-7.1	-1.4	1.0	-5.8
Saturday	390.70	442.49	550.93	417.82	461.73	479.51	0.00	0.00	309.39	396.96	446.07	540.81	-2.5	-0.1	-4.8	-6.9	10.1	-7.7	0.0	0.0	-8.6	-2.1	1.6	-4.9
Weekend	393.16	437.96	545.89	422.19	459.56	483.46	0.00	0.00	308.93	399.87	441.95	536.66	-3.1	-0.1	-5.3	-4.4	8.1	-7.4	0.0	0.0	-7.9	-1.8	1.3	-5.4
Total	413.54	431.37	537.89	432.63	470.76	524.40	0.00	0.00	312.04	418.52	440.04	534.49	-1.9	0.1	-4.3	-1.3	1.5	-7.4	0.0	0.0	-6.2	-1.4	0.7	-4.6
RevPAR																								
Sunday	204.01	202.65	301.87	80.16	52.05	45.82	0.00	0.00	1.61	284.17	254.71	349.30	-5.3	-4.8	-3.9	69.8	13.8	-4.2	0.0	0.0	-47.2	7.0	-1.5	-4.3
Monday	232.43	248.61	351.98	96.49	80.18	68.83	0.00	0.00	1.58	328.92	328.80	422.40	-4.4	-2.8	-2.9	19.9	8.7	-10.8	0.0	0.0	-53.0	0.7	-0.2	-4.7
Tuesday	281.62	278.13	391.14	103.37	100.65	79.19	0.00	0.00	1.57	384.98	378.78	471.90	-1.4	-3.5	0.0	6.3	14.0	-17.6	0.0	0.0	-50.6	-0.5	0.6	-3.8
Wednesday	281.75	276.72	401.97	114.85	113.10	86.40	0.00	0.00	1.57	396.60	389.82	489.94	-8.0	-8.6	-4.2	18.6	22.5	-11.8	0.0	0.0	-52.3	-2.6	-1.4	-5.9
Thursday	267.71	270.61	390.79	98.61	87.92	73.74	0.00	0.00	1.47	366.31	358.53	466.00	-14.0	-7.8	-7.8	39.6	6.3	-12.8	0.0	0.0	-54.9	-5.3	-4.7	-9.0
Weekday	253.93	255.69	367.91	98.77	86.99	70.92	0.00	0.00	1.56	352.69	342.68	440.39	-6.6	-5.4	-3.7	25.8	13.7	-12.1	0.0	0.0	-51.7	-0.4	-1.2	-5.5
Friday	252.83	282.13	406.15	81.93	66.66	55.78	0.00	0.00	1.43	334.77	348.80	463.36	-21.9	-5.6	-5.0	43.1	19.7	-10.2	0.0	0.0	-56.1	-11.4	-1.6	-6.0
Saturday	272.16	300.86	434.07	87.35	71.86	53.35	0.00	0.00	1.54	359.51	372.71	488.95	-15.9	-7.7	-3.6	108.9	23.5	-5.3	0.0	0.0	-51.1	-2.6	-2.9	-4.0
Weekend	262.50	291.50	420.11	84.64	69.26	54.56	0.00	0.00	1.49	347.14	360.76	476.16	-18.9	-6.7	-4.3	72.0	21.7	-7.9	0.0	0.0	-53.7	-7.0	-2.3	-5.0
Total	256.42	265.91	381.59	94.70	81.89	67.33	0.00	0.00	1.57	351.12	347.79	450.50	-11.3	-5.7	-3.6	34.3	15.1	-12.2	0.0	0.0	-50.8	-2.4	-1.5	-5.3

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Tab 53 - Segmentation Day Of Week - Running 12 Month - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

	Running 12 Month												Percent Change (%)											
	Transient			Group			Contract			Total			Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)																								
Sunday	52.1	52.5	57.6	12.2	11.5	10.3	0.0	0.0	0.6	64.3	64.0	68.6	7.7	-0.3	-2.0	7.5	16.6	-5.7	0.0	0.0	-34.8	7.0	2.3	-3.0
Monday	60.8	58.6	64.1	19.0	18.0	14.1	0.0	0.0	0.6	79.8	76.5	78.8	8.6	-1.8	-2.9	0.8	22.5	-4.0	0.0	0.0	-33.7	6.0	3.0	-3.4
Tuesday	66.6	61.4	67.8	21.3	20.5	16.0	0.0	0.0	0.6	87.8	81.9	84.3	8.1	-5.5	-1.6	-7.1	23.7	-6.2	0.0	0.0	-34.7	3.4	0.4	-2.9
Wednesday	66.0	61.3	67.5	21.8	20.6	16.5	0.0	0.0	0.6	87.8	81.9	84.6	2.7	-6.8	-2.7	-0.8	17.5	-5.9	0.0	0.0	-34.3	1.3	-1.7	-3.7
Thursday	60.9	59.7	65.2	19.5	16.9	14.4	0.0	0.0	0.6	80.3	76.5	80.2	0.1	-1.2	-3.2	13.8	6.4	-7.0	0.0	0.0	-36.7	2.5	0.4	-4.3
Weekday	61.3	58.7	64.5	18.7	17.5	14.3	0.0	0.0	0.6	80.0	76.2	79.3	5.3	-3.3	-2.5	1.8	17.4	-5.7	0.0	0.0	-34.9	3.9	0.8	-3.4
Friday	60.4	60.7	66.0	14.4	12.3	11.8	0.0	0.0	0.6	74.8	73.0	78.3	-2.9	1.8	-2.5	12.2	-10.5	-4.8	0.0	0.0	-38.1	-1.1	-0.5	-3.3
Saturday	67.0	65.4	70.3	13.3	12.4	11.2	0.0	0.0	0.6	80.3	77.8	82.1	-4.1	0.2	-2.4	18.7	-8.5	-3.8	0.0	0.0	-34.6	-0.4	-1.3	-2.9
Weekend	63.7	63.1	68.2	13.9	12.4	11.5	0.0	0.0	0.6	77.6	75.4	80.2	-3.5	0.9	-2.4	15.2	-9.5	-4.3	0.0	0.0	-36.3	-0.7	-0.9	-3.1
Total	62.0	60.0	65.5	17.4	16.0	13.5	0.0	0.0	0.6	79.3	76.0	79.6	2.0	-2.1	-2.5	4.3	10.4	-5.5	0.0	0.0	-32.2	2.5	0.3	-3.3
ADR																								
Sunday	336.29	343.06	413.21	367.35	427.21	489.31	0.00	0.00	305.17	342.17	358.18	423.74	-4.5	-2.1	-1.2	-1.5	3.3	-5.9	0.0	0.0	0.5	-3.9	-0.6	-2.0
Monday	370.87	391.07	464.03	372.00	431.64	488.09	0.00	0.00	309.97	371.14	400.59	467.17	-0.5	0.6	1.1	0.7	-0.8	-4.5	0.0	0.0	-0.4	-0.2	0.7	0.1
Tuesday	396.60	417.38	496.73	380.21	438.26	495.29	0.00	0.00	307.69	392.63	422.60	495.15	-2.3	1.0	2.8	1.8	-1.6	-2.6	0.0	0.0	1.8	-1.1	0.6	1.8
Wednesday	392.95	418.98	498.92	389.72	444.27	492.52	0.00	0.00	303.85	392.15	425.35	496.28	-4.9	-0.1	1.1	2.7	0.2	-2.2	0.0	0.0	0.3	-3.1	0.2	0.5
Thursday	368.97	392.21	467.39	380.73	425.27	473.10	0.00	0.00	304.61	371.82	399.49	467.23	-6.2	-1.6	-0.7	2.6	0.9	-3.5	0.0	0.0	-0.9	-4.3	-1.0	-1.1
Weekday	375.05	394.14	469.90	379.20	434.37	487.92	0.00	0.00	306.25	376.02	403.38	471.92	-3.7	-0.4	0.8	1.5	0.2	-3.6	0.0	0.0	0.2	-2.5	0.0	0.0
Friday	343.65	390.06	447.93	369.55	406.72	455.10	0.00	0.00	305.44	348.65	392.87	447.98	-6.8	-1.3	-0.6	2.5	2.9	-7.4	0.0	0.0	1.4	-4.8	-0.6	-1.6
Saturday	335.23	394.31	449.96	364.42	410.73	456.89	0.00	0.00	303.05	340.07	396.93	449.84	-6.2	-1.3	0.2	0.6	6.8	-7.7	0.0	0.0	0.3	-5.0	0.0	-0.9
Weekend	339.22	392.27	448.98	367.09	408.73	455.97	0.00	0.00	304.21	344.20	394.96	448.93	-6.5	-1.3	-0.2	1.6	4.8	-7.5	0.0	0.0	0.8	-4.9	-0.3	-1.2
Total	364.58	393.74	462.86	376.37	428.16	484.33	0.00	0.00	304.66	367.16	401.00	465.31	-4.3	-0.6	0.6	1.4	1.4	-4.7	0.0	0.0	0.7	-3.1	-0.1	-0.3
RevPAR																								
Sunday	175.23	180.14	238.07	44.69	49.14	50.59	0.00	0.00	1.85	219.92	229.28	290.51	2.8	-2.4	-3.2	5.9	20.4	-11.2	0.0	0.0	-34.5	2.8	1.7	-5.0
Monday	225.62	229.00	297.64	70.52	77.53	68.65	0.00	0.00	1.84	296.14	306.53	368.13	8.1	-1.1	-1.7	1.5	21.5	-8.3	0.0	0.0	-34.0	5.8	3.8	-3.3
Tuesday	263.94	256.26	336.56	80.86	89.70	79.26	0.00	0.00	1.79	344.79	345.97	417.61	5.7	-4.6	1.2	-5.4	21.6	-8.7	0.0	0.0	-33.5	2.2	1.1	-1.1
Wednesday	259.48	256.79	336.76	84.87	91.60	81.26	0.00	0.00	1.83	344.35	348.38	419.86	-2.3	-6.9	-1.7	1.9	17.7	-8.0	0.0	0.0	-34.1	-1.8	-1.5	-3.2
Thursday	224.59	234.04	304.81	74.14	71.72	67.92	0.00	0.00	1.77	298.73	305.76	374.49	-6.1	-2.8	-3.8	16.8	7.4	-10.3	0.0	0.0	-37.3	-1.9	-0.6	-5.3
Weekday	229.90	231.34	302.88	71.05	75.99	69.57	0.00	0.00	1.81	300.95	307.33	374.26	1.4	-3.7	-1.7	3.3	17.6	-9.1	0.0	0.0	-34.7	1.3	0.8	-3.4
Friday	207.50	236.91	295.76	53.31	49.97	53.49	0.00	0.00	1.73	260.81	286.89	350.97	-9.5	0.5	-3.1	15.0	-7.8	-11.8	0.0	0.0	-37.2	-5.9	-1.1	-4.8
Saturday	224.67	257.92	316.31	48.56	51.02	51.23	0.00	0.00	1.81	273.23	308.94	369.35	-10.1	-1.2	-2.2	19.4	-2.3	-11.2	0.0	0.0	-34.4	-5.3	-1.4	-3.8
Weekend	216.09	247.42	306.03	50.93	50.49	52.36	0.00	0.00	1.77	267.02	297.91	360.16	-9.8	-0.4	-2.6	17.1	-5.1	-11.5	0.0	0.0	-35.8	-5.6	-1.2	-4.3
Total	225.96	236.09	303.13	65.33	68.56	65.30	0.00	0.00	1.81	291.28	304.65	370.24	-2.4	-2.7	-1.9	5.9	11.9	-10.0	0.0	0.0	-31.7	-0.6	0.2	-3.7

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Tab 54 - Additional Revenue RevPAR Analysis (TrevPAR) - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300

STR # 63754 ChainID: LGATH MgtCo: None Owner: None

Market Scale: New York, NY Luxury Chains

For the Month of: December 2019 Date Created: January 17, 2020 Monthly Competitive Set Data Excludes Subject Property

		Revenue Per Rooms Available												Percent Change (%)										Ranking			
		Room			F&B			Other			Total (TrevPAR**)			Room			F&B			Other			Total (TrevPAR**)				
Current Month		My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop vs. Comp Set			
																										Room	F&B	Other	Total
2018	Jul	237.90	284.19	83.71	2.69	8.37	32.12	31.07	0.53	5844.22	271.66	293.09	92.69	14.1	-0.3	14.4	-11.0	-73.8	240.1	26.8	-90.7	1257.7	15.1	-9.2	26.7	3 of 6	2 of 6	1 of 6	3 of 6
	Aug	226.38	275.47	82.18	3.39	8.51	39.87	29.17	0.91	3221.39	258.94	284.88	90.89	12.7	0.5	12.1	38.3	-60.6	251.3	30.7	-86.0	835.7	14.8	-5.7	21.7	3 of 6	2 of 6	1 of 6	3 of 6
	Sep	364.35	387.62	94.00	4.16	10.30	40.37	39.30	1.32	2984.00	407.81	399.23	102.15	4.8	-2.7	7.6		-82.6			-87.8			-14.8		3 of 6	2 of 6	1 of 6	3 of 6
	Oct	408.92	396.55	103.12	4.63	13.68	33.86	40.64	3.27	1241.35	454.19	413.50	109.84	10.8	0.4	10.4	17.2	-84.9	675.0	58.2	-68.3	398.3	13.9	-16.6	36.6	3 of 6	2 of 6	1 of 6	3 of 6
	Nov	331.55	325.80	101.76	4.30	11.87	36.23	40.26	5.62	716.91	376.11	343.29	109.56	4.9	-6.0	11.7	31.9	-85.7	820.9	56.0	-31.2	126.6	9.0	-21.6	39.0	3 of 6	2 of 6	1 of 6	3 of 6
	Dec	337.68	336.41	100.38	4.22	12.69	33.26	37.35	2.56	1459.12	379.25	351.66	107.85	8.1	0.0	8.1	24.7	-82.9	631.0	20.5	-70.1	303.2	9.4	-16.1	30.5	3 of 6	2 of 6	1 of 6	3 of 6
2019	Jan	173.70	181.08	95.92	2.95	7.65	38.60	28.78	1.96	1470.51	205.44	190.69	107.73	6.3	-10.5	18.8	0.2	-72.9	269.5	27.8	-64.6	260.5	8.8	-19.2	34.7	3 of 6	2 of 6	1 of 6	3 of 6
	Feb	219.71	219.79	99.97	3.91	4.87	80.35	35.94	2.43	1479.77	259.56	227.08	114.30	3.0	-7.1	10.9	11.3	-88.7	884.7	189.9	-54.0	530.0	13.2	-20.3	42.1	4 of 6	2 of 6	1 of 6	3 of 6
	Mar	253.01	255.11	99.17	3.73	9.23	40.44	46.02	3.68	1251.69	302.76	268.02	112.96	3.9	-7.3	12.1	19.0	0.1	18.9	82.6	320.3	-56.6	11.4	-6.0	18.6	3 of 6	2 of 6	1 of 6	3 of 6
	Apr	298.76	329.01	90.81	3.54	10.37	34.11	48.13	3.70	1301.40	350.43	343.08	102.14	-0.4	23.1	-19.1	-5.9	10.4	-14.8	61.9	262.3	-55.3	5.1	23.6	-15.0	4 of 6	2 of 6	1 of 6	3 of 6
	May	330.53	352.20	93.85	3.96	12.95	30.55	27.38	3.66	748.19	361.86	368.81	98.11	-2.3	7.9	-9.4	14.4	28.3	-10.8	-19.3	798.9	-91.0	-3.6	9.5	-12.0	3 of 6	2 of 6	1 of 6	3 of 6
	Jun	302.16	324.93	92.99	3.72	16.35	22.75	30.11	3.58	841.62	335.98	344.85	97.43	-6.5	-1.8	-4.7	-2.8	63.2	-40.4	-7.1	560.7	-85.9	-6.5	1.0	-7.4	3 of 6	2 of 6	1 of 6	3 of 6
	Jul	248.65	284.81	87.31	2.84	10.50	27.06	33.40	3.76	889.02	284.90	299.07	95.26	4.5	0.2	4.3	5.7	25.5	-15.7	7.5	606.7	-84.8	4.9	2.0	2.8	3 of 6	2 of 6	1 of 6	3 of 6
	Aug	239.51	282.21	84.87	3.10	7.30	42.47	30.94	3.77	820.99	273.54	293.27	93.27	5.8	2.4	3.3	-8.7	-14.3	6.5	6.1	316.2	-74.5	5.6	2.9	2.6	3 of 6	2 of 6	1 of 6	3 of 6
	Sep	373.52	380.35	98.21	4.10	11.43	35.90	35.69	4.65	767.04	413.31	396.43	104.26	2.5	-1.9	4.5	-1.3	11.0	-11.1	-9.2	253.2	-74.3	1.3	-0.7	2.1	3 of 6	2 of 6	1 of 6	3 of 6
	Oct	376.44	370.10	101.71	3.58	9.68	36.98	37.61	3.83	983.15	417.64	383.61	108.87	-7.9	-6.7	-1.4	-22.7	-29.2	9.2	-7.4	16.9	-20.8	-8.0	-7.2	-0.9	3 of 6	2 of 6	1 of 6	3 of 6
	Nov	328.91	329.84	99.72	3.16	12.30	25.72	59.22	4.52	1309.22	391.29	346.67	112.87	-0.8	1.2	-2.0	-26.4	3.6	-29.0	47.1	-19.4	82.6	4.0	1.0	3.0	3 of 6	2 of 6	1 of 6	3 of 6
	Dec	347.31	342.85	101.30	3.43	9.95	34.43	43.71	3.48	1256.38	394.45	356.28	110.71	2.9	1.9	0.9	-18.8	-21.6	3.5	17.1	35.9	-13.9	4.0	1.3	2.7	3 of 6	2 of 6	1 of 6	2 of 6
Running 3 Month																													
2017		331.83	359.56	92.29	3.53	82.56	4.27	27.58	9.02	305.69	362.93	451.14	80.45	12.9	14.1	-1.1	-1.7	25.9	-21.9	642.4	50.2	394.4	20.4	16.6	3.3	4 of 6	3 of 5	1 of 5	2 of 5
2018		359.69	353.21	101.83	4.39	12.76	34.38	39.40	3.80	1037.88	403.48	369.77	109.12	8.4	-1.8	10.3	24.4	-84.5	705.0	42.9	-57.9	239.5	11.2	-18.0	35.6	3 of 6	2 of 6	1 of 6	3 of 6
2019		351.12	347.79	100.96	3.39	10.63	31.93	46.71	3.94	1186.70	401.23	362.36	110.73	-2.4	-1.5	-0.9	-22.6	-16.7	-7.1	18.6	3.7	14.3	-0.6	-2.0	1.5	3 of 6	2 of 6	1 of 6	3 of 6
Running 3 Month																													
2017		272.08	299.06	90.98	3.29	56.37	5.83	22.78	6.97	326.92	293.35	362.40	80.95	-6.2	5.8	-11.4	-3.6	-22.2	23.9	560.9	-20.9	735.9	-1.2	-0.4	-0.8	4 of 6	3 of 6	1 of 6	4 of 6
2018		293.13	303.93	96.45	3.68	14.44	25.48	31.56	2.30	1372.13	328.37	320.67	102.40	7.7	1.6	6.0	12.0	-74.4	337.1	38.5	-67.0	319.7	11.9	-11.5	26.5	3 of 6	3 of 6	1 of 6	3 of 6
2019		291.28	304.65	95.61	3.50	10.23	34.18	38.04	3.59	1060.36	332.82	318.47	104.51	-0.6	0.2	-0.9	-5.0	-29.1	34.1	20.5	56.0	-22.7	1.4	-0.7	2.1	3 of 6	2 of 6	1 of 6	3 of 6
Running 12 Month																													
2017		272.08	299.06	90.98	3.29	56.37	5.83	22.78	6.97	326.92	293.35	362.40	80.95	-6.2	5.8	-11.4	-3.6	-22.2	23.9	560.9	-20.9	735.9	-1.2	-0.4	-0.8	4 of 6	3 of 6	1 of 6	4 of 6
2018		293.13	303.93	96.45	3.68	14.44	25.48	31.56	2.30	1372.13	328.37	320.67	102.40	7.7	1.6	6.0	12.0	-74.4	337.1	38.5	-67.0	319.7	11.9	-11.5	26.5	3 of 6	3 of 6	1 of 6	3 of 6
2019		291.28	304.65	95.61	3.50	10.23	34.18	38.04	3.59	1060.36	332.82	318.47	104.51	-0.6	0.2	-0.9	-5.0	-29.1	34.1	20.5	56.0	-22.7	1.4	-0.7	2.1	3 of 6	2 of 6	1 of 6	3 of 6

** TrevPAR = Total revenue per available room (sum of Room, F&B, and Other revenue divided by total available rooms).

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Tab 55 - Segmentation Response Report - Comp Set 3

Thompson Hotels The Beekman Hotel 5 Beekman St New York, NY 10038-2206 Phone: (212) 233-2300
STR # 63754 ChainID: LGATH MgtCo: None Owner: None
For the Month of: December 2019 Date Created: January 17, 2020

This Year

Dec 23rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas Day
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

Last Year

Dec 3rd - First Day of Hanukkah
Dec 24th - Christmas Eve
Dec 25th - Christmas
Dec 26th - First Day of Kwanzaa
Dec 31st - New Year's Eve

December 2019 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December 2018 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

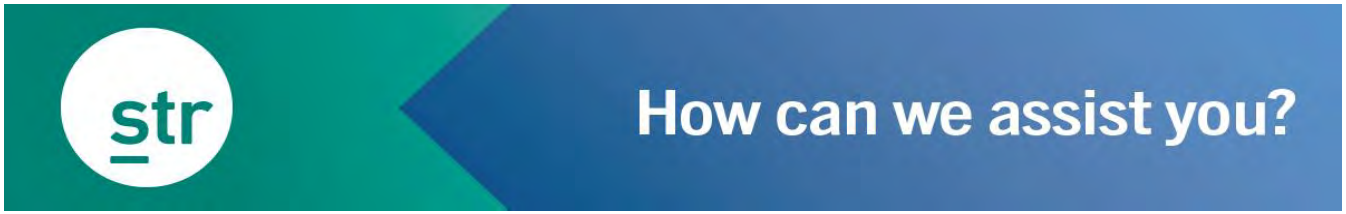
STR#	Name	City, State	Zip	Phone	Rooms	Open Date
63754	Thompson Hotels The Beekman Hotel	New York, NY	10038-2206	(212) 233-2300	287	201609
25564	11 Howard	New York, NY	10013-3111	(212) 235-1111	207	199202
39975	The Wagner at the Battery	New York, NY	10004-1001	(212) 344-0800	298	200201
58268	Andaz Wall Street	New York, NY	10005-2833	(212) 590-1234	253	201001
64689	Four Seasons Hotel New York Downtown	New York, NY	10007-2706	(646) 880-1999	189	201609
65394	1 Hotel Brooklyn Bridge	Brooklyn, NY	11201-1325	(347) 696-2500	195	201702
					1429	

2018												2019											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
s	s	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B

Data received:

s = Segmentation (Transient, Group, Contract) Only
r = Additional Revenue Only
B = Both Segmentation & Additional Revenue

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LWHA
LW HOSPITALITY ADVISORS

200 West 41st Street, Suite 602
New York, NY 10036
Phone: 212.300.6684

December 19, 2019

William M. Barrett
Chief Financial Officer
GFI Capital Resources Group, Inc.
140 Broadway 41st Floor
New York, NY 10005
O: 212.837.4580
F: 646.542.1394
E: wbarrett@gficap.com

RE: Professional Services Agreement

Ace Hotel, 20 W 29th St, New York, NY 10001
Ace Hotel & Swim Club, 701 E Palm Canyon Dr, Palm Springs, CA 92264
Crowne Plaza JFK Airport NYC, 138-10 135th Ave, Jamaica, NY 11436
Hilton Greenville, 45 W Orchard Park Drive, Greenville, SC 29615
The Beekman, a Thompson Hotel, 123 Nassau St, New York, NY 10038
The James New York – NoMad, 22 E 29th St, New York, NY 10016

Dear Mr. Barrett:

Pursuant to your request, we are pleased to submit this proposal for the services of LW Hospitality Advisors in connection with the above referenced properties. This letter sets forth a description of the objectives and scope of the assignment, along with the methodology to be employed, an estimate of the time requirements, a schedule of professional fees, specific properties data request ("Exhibit A") our Terms and Conditions ("Exhibit B"), and Assumptions & Limiting Conditions ("Exhibit C").

PARTIES TO THIS AGREEMENT

The undersigned, LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC or LW-FL LLC (at all times herein "LWHA") and GFI Real Estate Limited (at all times herein "Client").

SUBJECT OF THE ASSIGNMENT

The properties to be studied are referenced above (at all times herein "Subject Properties" or "Hotel").

OBJECTIVE AND SCOPE OF SERVICES

The objective of this assignment is to perform six individual Appraisals in order to provide the Client with our opinion of the market value of the Fee Simple or Leasehold interests in the Subject Properties.

Our work will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Ethics and Certification Standards of the Appraisal Institute, and Supplemental Standards. In addition, the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a Federally-regulated financial institution must be the Client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the Client is governed by FIRREA, this appraisal will meet all applicable requirements. The scope of work necessary to accomplish the above assignment will include the tasks outlined in the following pages.

This is an Appraisal Report that is intended to comply with the reporting requirements set forth und Standards Rule 2-2 of USPAP and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, the definition of value in this appraisal fits the definition of Fair Value as defined in IFRS 13 and IAS revaluation model.

The depth of analysis discussed in this report is specific to the needs of the client and for the intended use.

We consent to use of the appraisal in its entirety for filing of GFI Real Estate Limited's financial statements with the ISA. LWHA® gives full consent to the inclusion of the appraisal report in its entirety within the Client's public reports to be published in the Tel Aviv Stock Exchange.

The Client for this engagement is GFI Real Estate Limited. This appraisal is performed **strictly** for financial reporting and financial reporting ancillary purposes in accordance with IFRS 13, Fair Value Measurement and IAS 40, Investment Properties. This appraisal has been conducted to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation and Code of Professional Ethics of the Appraisal Institute.

LWHA will analyze the market conditions under which the subject properties is likely to operate, and assess market forces, demand trends, and any external factors that may affect future hotel operations in the subject market area. In addition, LWHA will evaluate the potential attainable demand levels for the subject properties and estimate its future financial performance.

INTENDED USE AND INTENDED USERS

The Client for this engagement is GFI Real Estate Limited.

The aggregate valuation in its entirety may be used for (i) financial reporting, (ii) quarterly and annual reports and (iii) the preparation of a prospectus, and we confirm that we have given our consent to the inclusion of the aggregate valuation in its entirety with the financial reports, quarterly and/or annual reports and a prospectus, as applicable, and no other intended use is permitted.

The intended users are the Client, its affiliates and subsidiaries, and each of their respective external and internal auditors, accountants, attorneys, offices, managers, members, agents, employees, and directors, solely in each case, relating to the Intended Use. There are no other intended users. No other user may rely on our report, as specifically indicated in the report.

The intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisals, but the appraiser, ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions, and conclusions developed in the appraisals in a manner that is clear and understandable for the intended users, Parties who receive or might receive a copy of the appraisal are not necessarily intended users, The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.

PURPOSE, PREMISE, AND DATE OF VALUE

LWHA will prepare an opinion of the AS IS market value of the Fee Simple or Leasehold Interest in the Subject Properties as of December 30, 2019.

ENGAGEMENT APPROACH

To meet the assignment objectives, LWHA proposes the following work steps.

Extent to Which the Properties is Identified

LWHA will collect the relevant physical characteristics about the subject via a physical identification and inspection of the properties. The physical properties will be legally identified through its postal address, assessor's records, the provided legal description and the provided title report. Economic characteristics of the subject will be identified via an analysis of historical operating statements.

Extent to Which the Properties is Inspected

LWHA will, to the extent feasible, conduct a physical inspection of both the interior and exterior of the subject properties, as well as its surrounding environs.

Type and Extent of the Data Researched

LWHA will consider the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This knowledge will be expanded through telephone interviews with regional and/or local market participants, available published data and other various resources. LWHA will also conduct regional and/or local research with respect to applicable tax data, zoning requirements, demographics, income and expense data, and comparable listing, sale and rental information.

Type and Extent of Analysis Applied

LWHA will analyze the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable

approach to value. LWHA will then correlate and reconcile the results into a reasonable and defensible value conclusion, and estimate a reasonable exposure time and marketing time associated with the value opinions presented.

PROFESSIONAL FEES

The fee for this assignment shall be [redacted] due upon written authorization to proceed with the assignment, with the remaining [redacted] due upon submission of draft appraisal report.

Payment of the fee(s) is not contingent on an outcome of the appraisal, a loan closing, or any other prearranged condition.

Please provide written confirmation of an electronic transfer when payment is made. Wiring instructions are as follows:

Signature Bank
Routing # 026013576
LWHA Account# 1502151025

It is our normal policy to provide a draft copy of our report for your review. Upon your approval of this draft, we will commence preparation of the final report, which will be delivered to you when our invoice for services has been paid in full. The final report will be delivered in electronic format.

In the event after commencing the assignment it becomes necessary to alter the parameters of the study, such as the properties description; assumed date(s); financial, management, or ownership structure; or any other factor which could change the final conclusions, LWHA will be entitled to charge an additional fee based upon our current per-diem rates and the time required to incorporate the necessary changes into our analysis and report. In addition, the estimate of timing will be extended by an amount equal to the added work. In advance of commencing any additional work as outlined above, Client will be notified in writing with a request to confirm the agreed upon scope of additional work and additional fee.

Additional fees will also be charged on an hourly basis for any work which exceeds the scope of this proposal, including performing additional research, analysis and/or alternate scenarios; reviewing other studies and documents related to the properties; telephone calls and/or meetings with any party which we believe goes beyond the time generally expended during the course of an assignment of this nature; and attending out-of-town meetings.

Hourly rates of professional staff are as follows President - $750; COO - $650; Managing Director - $550; Senior Vice President - $500; Vice President - $450; Senior Associate - $400; Associate - $350. Any meeting or presentation not previously agreed to as being part of this assignment which requires any LWHA professional to travel out of the New York Metropolitan Area will be charged at a minimum per-diem rate of

$5,000. Hourly and per-diem rates will be charged at the rate in effect at the time that they occur, with travel billed at half time.

Notwithstanding the fee payment schedule set forth above, if at any time while performing this assignment it becomes necessary to suspend work for a period of thirty (30) days or more, then LWHA will be entitled to bill for the portion of the assignment completed up to the suspension (less any retainer paid) at its current per-diem rates.

TIMING

We agree to complete the assignment by January 31, 2020. The assignment process will initiate upon your signing this letter authorizing LWHA to proceed and returning it to us with the requested retainer and properties specific data.

EXPENSES

The professional fee quoted above is inclusive of all expenses except for any necessary Smith Travel Research (STR) Trend Reports. If a current STR Trend report for each properties is provided to us there will be no need for LWHA to purchase this data.

CONDITIONS REGARDING USE OF LWHA's REPORT AND WORK PRODUCT

The overall definition and scope of the work to be performed, and its adequacy in addressing client's needs, is the responsibility of client. Client shall perform all management functions and make all management decisions in connection with LWHA's services, and shall assign a competent individual to oversee LWHA's services. Client is responsible for ensuring that all information we may reasonably require is provided on a timely basis and is accurate and complete. Client shall also notify us if it subsequently learns that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

LWHA's services outlined in this engagement letter will be based upon research, knowledge of the industry, and other data and sources available to us. Information provided by Client or others will be accepted without audit or verification and will be assumed to be correct.

The findings may contain financial information, estimates or opinions that represent the consultants' view of reasonable expectations at a particular point in time. However, such information, estimates or opinions will not be offered as predictions or as assurances that the particular level of income or profit will be achieved, or that events will occur. Actual results achieved during the period covered by the financial analyses will vary and the variations may be material.

Client acknowledges and agrees that even with LWHA's research expertise, the amount of publicly available information on the topics discussed herein will ultimately determine the amount of information LWHA can report on the topics.

The paucity of publicly available information shall not be construed as failure of LWHA to deliver the required work product under this engagement.

Client understands and acknowledges that the inability to secure meetings with competitors and industry participants, due to factors outside LWHA's control such as current economic conditions, companies' current financial situation, companies' current strategic priorities, or timing considerations, should not be construed as LWHA's failure to perform the scope of work described in this engagement letter.

Recognizing that LWHA's role is advisory, and in partial consideration for the services to be provided hereunder, Client agrees to indemnify LWHA and its respective partners, principals, affiliates, agents and employees (LWHA and each such person being an "Indemnified Party") pursuant to the provisions set forth in Sections 17, 18, and 19 of the attached Terms and Conditions.

LWHA makes no representations or warranties regarding the accuracy of the conclusions. LWHA's services shall remain subject to each of the conditions, limitations and assumptions stated therein.

Distribution of LWHA's report will be governed by the terms set forth in Section 21 of the attached Terms and Conditions.

You acknowledge that any opinions and conclusions expressed by the LWHA professionals during this assignment are representations made as employees and not as individuals. LWHA's responsibility is limited to the client, and use of our product by third parties shall be solely at the risk of the client and/or third parties.

If LWHA or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, LWHA will use reasonable efforts to notify the Client of our receipt of same. However, if LWHA are not a party to these proceedings, Client agrees to compensate LWHA or its affiliate for the professional time and reimburse LWHA for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. LWHA will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony. Client specifically authorizes LWHA to disclose information relating to this assignment, including information which may be considered confidential, to third persons as reasonably necessary to LWHA's response to or defense of threatened or actual legal or regulatory actions.

Consulting assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent service related to a consulting assignment (such as an appraisal, updates, conferences, reprints or copy service) is contemplated, special arrangements acceptable to LWHA are to be made in advance. The assignment assumes market conditions as observed as of the current date of our research stated in the letter of transmittal. These market conditions are believed to be correct; however, the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.

Client acknowledges and agrees that LWHA may from time to time be engaged in providing services to others, which are similar to those to be provided to Client hereunder. Client further agrees that such activities shall not in and of themselves

create any presumption that LWHA's obligations under this Agreement have not been honored.

The attached Terms and Conditions (Exhibit A) and Specific Properties Data Request (Exhibit B) are deemed a part of this agreement as though set forth in full herein. In addition to all other terms and conditions of this agreement, LWHA and Client agree that LWHA's services under this agreement and Appraisal report, and any use of the Appraisal report are subject to the statements, limiting conditions and other terms set forth in the Appraisal report. LWHA's standard statements, limiting conditions and terms are attached to this agreement as Exhibit C and incorporated herein. LWHA may determine additional conditions and terms affecting the Appraisal during performance of the assignment which may be identified in the report.

ENGAGEMENT ACCEPTANCE

If you are in agreement with the conditions regarding the use of LWHA's work product, please sign the enclosed copy of this letter and return it to LWHA. Acceptance of this engagement letter is subject to LWHA's normal client acceptance procedures. A final invoice will be submitted upon the completion of our draft report, and is payable upon presentation.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

LW HOSPITALITY ADVISORS LLC

Evan Weiss
Chief Operating Officer, Principal
Telephone: 212.300.6684 x102
E Mail: evan.weiss@lwhadvisors.com

AGREED AND ACCEPTED FOR:

GFI HOSPITALITY, LLC

Signature	Date
William M. Barrett	CFO
Name	Title
212 837-4580	
Phone Number	Fax Number
WBARRETT@GFICAP.COM	
E-Mail Address	

LWHA

Exhibit A: SPECIFIC PROPERTIES DATA REQUEST

In order to complete this assignment in the timely manner requested, LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC, or LW-FL LLC (at all times herein "LWHA") requests the following specific information for the properties, if available:

Properties Information

- Current title report and title holder name
- Plot plan, survey and legal description
- Detailed properties description
- Building architectural plans and specifications, including square footage for all improvements and rooms
- Engineering and environmental reports
- Past feasibility or market studies, appraisals, impact studies, prospectuses
- Smith Travel STAR and Trend reports
- Latest marketing plan
- Sales and marketing brochures
- Any relevant information gathered by third party sources that would aid in our analysis

Financials

- Details regarding original or proposed construction (Hard and Soft) and site acquisition costs
- Historical capital expenditures for the past five years
- Proposed capital expenditures for next five years
- Income and expense statements with full supporting schedules for the past three calendar years, and year to date (EXISITING HOTELS ONLY)
- Average occupancy and ADR by month for the past three calendar years, and year to date (EXISTING HOTELS ONLY)
- Income and expense projections and forecasts with full supporting schedules, if available

Contracts and Lease Agreements

- Any leases encumbering leased spaces
- Franchise and/or management agreements, including fee calculation
- Union agreements, service contracts, reservation reports, inspection reports
- Latest real and personal properties tax bills
- Terms of any current or recent purchase, sale, or leasing of the subject properties including options and listings. Terms required: price, date and financing. Include a copy of the contract and closing statements
- Detailed ownership history of the subject properties for the last five years
- Name and telephone number of contact person to arrange for overview discussion of each properties
- Ground lease, if applicable

LWHA

Exhibit B: TERMS AND CONDITIONS

The report prepared by LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC or LW-FL LLC (at all times herein "LWHA") and all of its work in connection with this assignment is subject to the limiting conditions and all other terms stated in the report. Any use of LWHA's work by any party, regardless of whether such use is authorized or intended by LWHA, constitutes acceptance of all such limiting conditions and terms.

1. These Terms and Conditions, between LWHA and the Client for whom the referenced appraisal service will be performed, shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the State of New York.
2. Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the consulting/appraisal report.
3. Final payment is due and payable upon delivery of the final report or within thirty (30) days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.
4. If we are requested to give court testimony, an additional fee will be charged on an hourly basis at our then-prevailing hourly rate. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
5. In the event Client requests additional services beyond the purpose stated in the Agreement, Client agrees to pay an additional charge for such services, plus reimbursement of expenses, whether or not the completed report has been delivered to Client at the time of the request.
6. It is understood that the Client has the right to cancel this assignment at any time prior to delivery of the completed report. In such event, the Client is obligated only for the pro-rated share of the fee based upon the work completed and expenses incurred.
7. Hard copies of the consulting/appraisal report are available at a cost of $250 per original color copy and $100 per photocopy (black and white), plus shipping cost of $30 per report.
8. If payment for professional fees and out-of-pocket research, travel, and related expenses is not received within thirty (30) days of the billing date, LWHA reserves the right to suspend all work until payment is made and apply a service charge of 1.5 percent per month or fraction thereof to the total unpaid sum. It is further agreed that in the event legal action becomes necessary to enforce collection of bills rendered, you will be responsible for all collection costs, including, but not limited to, court costs and reasonable legal fees. It is understood that LWHA may extend the time for payment on any part of billings rendered without affecting the understanding outlined above.
9. LWHA assumes that there are no major or significant items that would require the expertise of a professional building contractor or engineer. If such items need to be considered in LWHA's study, such services are to be provided by others at a cost which is not a part of the fee proposal.
10. In the event of any dispute between Client and LWHA relating to this Agreement, or LWHA's or Client's performance hereunder, LWHA and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the State of New York. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party its expenses, including the costs of arbitration proceeding, and reasonable attorney's fees.

11. Client acknowledges that LWHA is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This assignment shall be deemed concluded and the services hereunder completed upon delivery to Client of the consulting/appraisal report discussed herein.
12. All statements of fact in the report which are used as the basis of the LWHA's analyses, opinions, and conclusions will be true and correct to the best of the LWHA's knowledge and belief. LWHA does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Properties furnished to LWHA by Client.
13. LWHA shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the properties analyzed.
14. Client shall provide LWHA with such materials with respect to the Assignment as are reasonably requested by LWHA and in the possession or under the control of Client. Client shall provide LWHA with sufficient access to the real properties to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
15. The data gathered in the course of the assignment (except data furnished by Client) prepared pursuant to the Agreement are, and will remain, the properties of LWHA. The report will be properties of the Client. With respect to data provided by Client, LWHA shall not violate the confidential nature of the consultant-client relationship by improperly disclosing any confidential information furnished to LWHA. Notwithstanding the foregoing, LWHA is authorized by Client to disclose all or any portion of the report and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable LWHA to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
16. Unless specifically noted in the Appraisal, we will not be taking into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof. Further, LWHA understands that there is no major or significant deferred maintenance in the properties which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of this fee proposal.
17. Client shall indemnify and hold LWHA fully harmless against any loss, damages, claims, or expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), and for which recovery is sought against LWHA by that third party; however, such obligation to defend and indemnify shall not apply if the claim or cause of action is based upon or arises in any way out of an act, failure to act or representation of LWHA. Client shall indemnify and hold LWHA harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party.
18. LIMITATION OF LIABILITY. EXCEPT FOR THE HOLD HARMLESS PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER. EXCEPT FOR THE HOLD HARMLESS PROVISION ABOVE, IN NO EVENT WHATSOEVER SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR DIRECT DAMAGES UNDER THE AGREEMENT OR ANY OTHER DAMAGES WHATSOEVER EXCEED IN THE AGGREGATE THE SUM OF TEN THOUSAND DOLLARS ($10,000.00).
19. You acknowledge that any opinions, recommendations, and conclusions expressed during this assignment will be rendered by the staff of LWHA, acting solely as employees and not as individuals. Any responsibility of LWHA is limited to the client, and use of our product by third parties shall be solely at the risk of the client and/or third parties.
20. The study described in this proposal will be made subject to certain assumptions and limiting conditions. A copy of our normal assumptions and limiting conditions will be provided upon request. If in the sole opinion of LWHA it becomes necessary to add additional assumptions and limiting

conditions in order to properly characterize and represent our conclusions, these additional assumptions and limiting conditions will become a part of our final report.

21. Please note that LWHA's consent to allow the Appraisal report or portions of the report, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at LWHA's reasonable discretion and, if given, will be on condition that LWHA will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content by a party satisfactory to LWHA.

LWHA

Exhibit C: ASSUMPTIONS AND LIMITING CONDITIONS

The report prepared by LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC or LW-FL LLC (LWHA) and all of its work in connection with this assignment is subject to the limiting conditions and all other terms stated in the report. Any use of LWHA's work by any party, regardless of whether such use is authorized or intended by LWHA, constitutes acceptance of all such limiting conditions and terms.

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the properties or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LWHA is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. LWHA, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real properties.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the properties or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the properties or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. LWHA professionals are not engineers and are not competent to judge matters of an engineering nature. LWHA has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of LWHA by ownership or management; LWHA inspected less than 100% of the entire interior and exterior portions of the improvements; and LWHA was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the properties and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, LWHA reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the properties, was not observed by the appraisers. LWHA has no knowledge of the existence of such materials on or in the properties. LWHA, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the properties. The value estimate is predicated on the assumption that there is no such material on or in the properties that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real properties, have been disregarded with only real properties being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to LWHA. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, properties owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, LWHA has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, LWHA reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify LWHA of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, LWHA will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. LWHA assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. LWHA is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the properties, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. LWHA does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of LWHA
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of LWHA to buy, sell, or hold the properties

at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The properties is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of LWHA nor may this report or copies hereof be transmitted to third parties without said consent, which consent LWHA reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of LWHA which consent LWHA reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the properties or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this properties. LWHA shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire properties, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other properties or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to LWHA unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. LWHA assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor LWHA assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the

same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

20. LWHA assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the properties was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LWHA has not made a specific compliance survey and analysis of this properties to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the properties together with a detailed analysis of the requirements of the ADA could reveal that the properties is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since LWHA has no specific information relating to this issue, nor is LWHA qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by LWHA or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us.