

**Property Information:**

Acquisition Price:	\$78.7M (\$298k per room)
Location:	Los Angeles, CA
Acquired:	November 20, 2014
Rooms:	264
Type:	Upper Upscale, Full-Service
Built:	1972
Last Renovated:	2008

**Historic Performance and Valuation:**

Estimated Discount to Replacement Cost:	15% - 20%
September 2014 TTM Occupancy:	87%
September 2014 TTM ADR:	\$207
2015 Project Cap Rate (Projected EBITDA) <sup>(1)</sup> :	6.7% - 7.3%
2015 Project Cap Rate (Projected NOI) <sup>(1)</sup> :	5.4% - 6.0%

(1) Based on previously disclosed forecasted net operating income after capital reserves ("NOI") and previously disclosed forecasted hotel earnings before interest, taxes, depreciation and amortization ("EBITDA").

**Property Highlights:**

- Upper-upscale, full-service boutique hotel located in the high barrier-to-entry Westwood submarket of Los Angeles, CA
- 264 spacious guest rooms, including 24 suites, featuring high speed WiFi, 42" LCD flat-screen TV and ETRO bath amenities
- BLVD 16 is a full-service restaurant that serves three meals daily as well as in-room dining and private dining
- 40-foot outdoor pool and deck with poolside food and beverage service
- Over 5,000 square feet of flexible meeting space across eight meeting rooms, including the 2,100 square foot Premiere Ballroom
- Fitness center with floor-to-ceiling windows and 24-hour business center
- Five story, 435 space parking garage with valet parking
- Ground lease term runs to 2107, assuming all extensions are exercised



**Market Highlights:**

**Market Overview:**

- The hotel is located in the Hollywood-Beverly Hills submarket, which has achieved a compounded annual RevPAR growth of 4.8% during the 26-year period between 1987 and 2013
- The Hollywood-Beverly Hills market has experienced extremely constrained supply growth, with a 26-year compounded annual supply growth rate of 0.6%
- Los Angeles attracts over 25 million total visitors annually and is the third-most visited city by overseas visitors

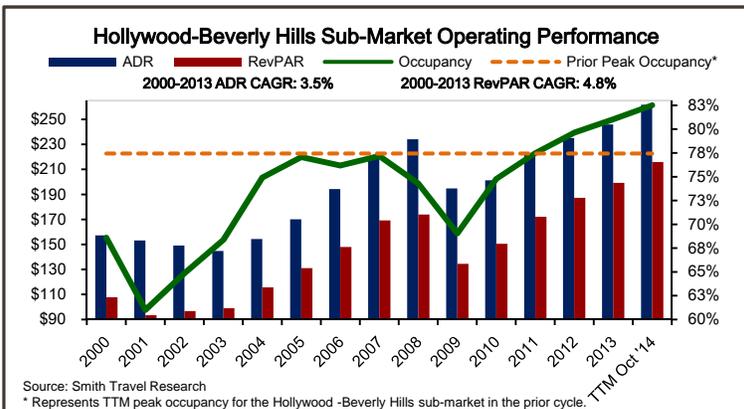
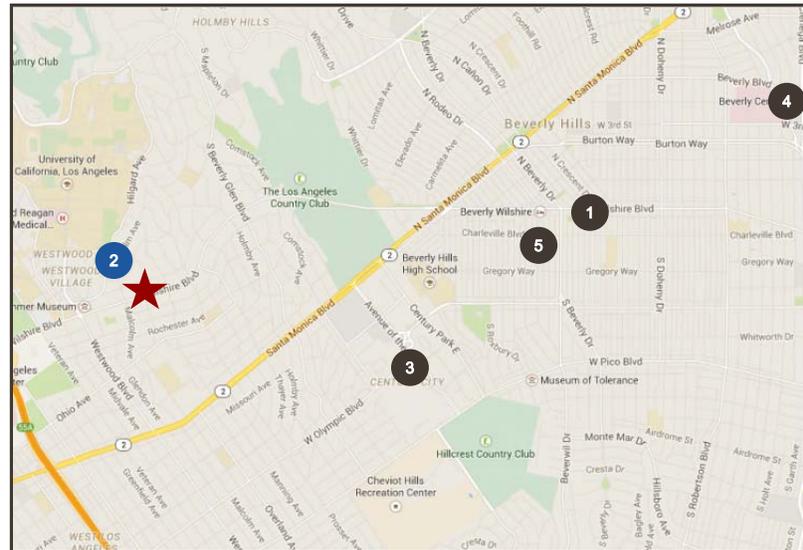


**Demand Generators:**

- 10+ colleges and universities, including University of California, Los Angeles (UCLA), University of Southern California (USC) and California State University (Cal State)
- Entertainment industries, including movie, music and commercial production, award shows, TV studio tapings and live audiences
- Westwood Village
- Sports, music and entertainment venues - 6 professional sports teams, including the LA Dodgers, LA Lakers, LA Kings, LA Clippers, LA Galaxy and LA Sparks
- Kodak Theatre, Staples Center, Disney - MGM Studios, Rose Bowl
- World-class shopping located conveniently near the hotel
- Abundance of nightlife and exceptional dining
- 11 million square feet of Class A office space in Century City / Wilshire Corridor
- Los Angeles Convention Center

**Competitive Set:**

Hotels	Map Marker	Rooms	Year Opened
<b>Hotel Palomar Los Angeles - Westwood</b>	★	264	1972
Sixty Beverly Hills	1	107	1962
W Hotel Los Angeles - Westwood (PEB Owned)	2	258	1969
InterContinental LA Century City	3	363	1988
Sofitel Los Angeles	4	295	1988
Avalon Hotel	5	84	1958
<b>Total (excluding Hotel Palomar Westwood)</b>		<b>1,107</b>	



**Investment Highlights:**

**Strengths**

- Attractive location with a diverse set of demand generators
- West Los Angeles / Westwood market with excellent long-term supply and demand fundamentals
- Continuation of Kimpton relationship
- High-barrier-to-entry market

**Opportunities**

- Significant ADR gap to W Westwood and Comp Set
- Upside from increased international visitation
- West LA market occupancy is strong in recovery cycles and is at an all-time high
- Improved cash flow through Pebblebrook asset management and best practices