

Property Information:

Acquisition Price: \$49.0M (\$306K per room)
 Location: Union Square, San Francisco, CA
 Acquired: May 22, 2014
 Rooms: 196
 Type: Urban, Upper Upscale
 Built / Renovated: 1913 / 2016

Property Highlights:

- Property underwent a \$32.0 million redevelopment and renovation completed in Q1 2016 and was repositioned to a 60's/70's San Francisco experience-based hotel, including the addition of 32 guest rooms
- 196 guest rooms with eclectic furnishings in connecting buildings featuring a variety of room types including an 1,800 square foot presidential suite
- Attractive location just blocks away Union Square, Financial District and Moscone Convention Center
- Third-party restaurant lessee to open by year-end 2016
- Peace, a 1,300 square foot lounge featuring dynamic game room
- Up to 4,000 square feet of meeting/event space
- Fitness center and valet parking

Market Highlights:

Market Overview:

- Proven history of double-digit RevPAR growth in recovery cycles – RevPAR CAGR of 12.1% from 1995 to 2000 and 9.4% from 2003 to 2008
- Union Square/SoMa/Convention Center submarkets have seen rapid growth and are increasingly becoming high-demand 24/7 submarkets of SF
- Strategic west coast gateway city allows for global business opportunities and excellent access to/from Asian economies
- Diverse economic base with strong growth industries and leisure attractions
- Highly educated population with an array of top-tier educational institutions, including Stanford University, UC San Francisco and UC Berkeley

Demand Generators:

- Financial Center: Home to numerous prominent Fortune 500 companies, banks, financial service companies and venture capital firms
- Renowned Union Square retail center and iconic Westfield San Francisco Shopping Centre just blocks away
- The Moscone Convention Center
- Silicon Valley and San Francisco: High concentration of world-leading technology and software companies
- Biotechnology: Global leader for biotechnology firms and research
- Varied environmental demand generators lead to a diverse tourism base: Pacific Ocean, San Francisco Bay, Napa Valley, Mountains and National Parks



Historic Performance and Valuation:

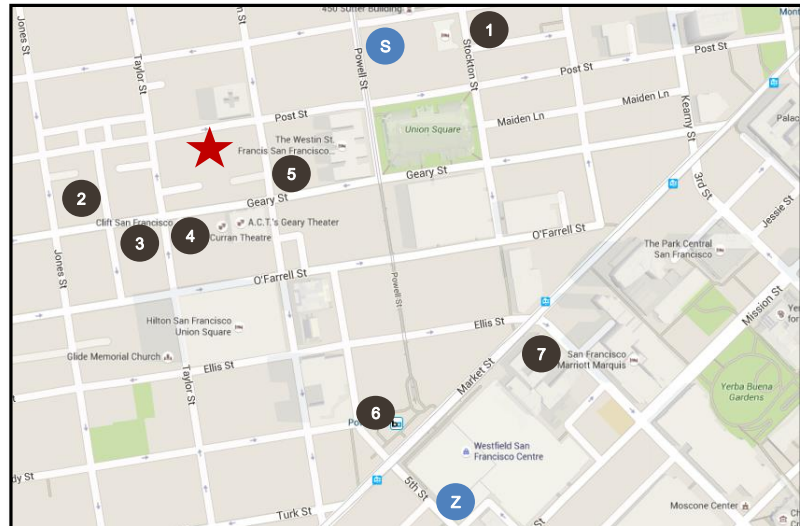
Estimated Discount to Replacement Cost ⁽¹⁾ :	40%
2015 Occupancy:	87%
2015 ADR:	\$239
2015 EBITDA ⁽²⁾ :	\$4.0M
2015 EBITDA Yield ⁽²⁾ :	6.4%

(1) Estimated discount to replacement cost at time of acquisition.
 (2) EBITDA reflects closure for renovation in November & December of 2015 and is based on previously disclosed hotel earnings before interest, taxes, depreciation and amortization ("EBITDA"); EBITDA Yield reflects certain capital investments made by Pebblebrook as of year-end 2015.

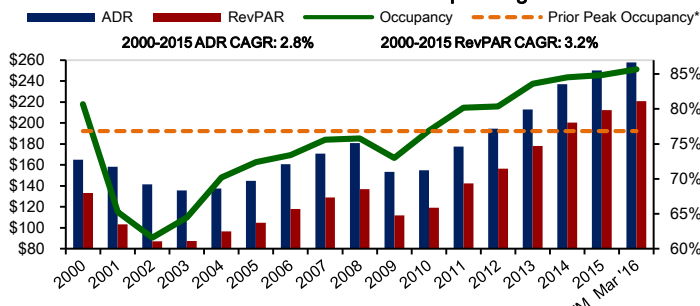


Competitive Set:

Hotels	Map Marker	Rooms	Year Opened
Hotel Zeppelin San Francisco	★	196	1913
Taj Campton Place	1	110	1983
Hotel Adagio	2	171	1929
The Marker San Francisco	3	208	1910
Cliff San Francisco	4	372	2002
Hotel G	5	150	2014
Axiom Hotel	6	152	2016
Hotel Zelos San Francisco (PEB Owned)	7	<u>202</u>	1908
Total Comp Set (excluding Hotel Zeppelin SF)		<u>1,365</u>	
Sir Francis Drake (PEB Owned)	S		
Hotel Zetta San Francisco (PEB Owned)	Z		



San Francisco - Market St. Sub-Market Operating Performance



Investment Highlights:

Strengths

- Great location in a truly world-class city
- Coastal gateway city and attractive national and international destination
- Extremely high barriers to entry
- New and significant economic drivers
- Significant discount to replacement cost
- Very limited near-term supply growth

Opportunities

- Recently completed \$32.0M redevelopment and repositioning, should significantly increase ADR and EBITDA
- \$500M Moscone Convention Center renovation to expand usable space
- Improved cash flow through Pebblebrook asset management and best practices

This summary information sheet contains certain "forward-looking statements" relating to, among other things, hotel EBITDA and hotel net operating income after capital reserves. The forward-looking statements made are based on our beliefs, assumptions and expectations of future performance, taking into account all information currently available to us. Actual results could differ materially from the forward-looking statements made on this summary information sheet. When we use the words "projected," "expected," "planned" and "estimated" or other similar expressions, we are identifying forward-looking statements. The forward-looking statements on this summary information sheet are subject to the safe harbor of the Private Securities Litigation Reform Act of 1995. All information on this sheet is as of April 28, 2016. We undertake no duty to update the information to conform to actual results or changes in our expectations. For additional information, please visit our website at www.pebblebrookhotels.com.