

Property Information:

Acquisition Price: \$260.4M
(Approximately \$507K⁽¹⁾ per room)

Location: Boston, MA

Acquired: December 18, 2014

Rooms: 356

Type: Upper-Upscale, Full-Service

Built: 1972

Last Renovated: 2012

(1) Approximately \$80M, or \$97K /space of value associated with the 282,000 square feet of garage space; per room estimate is the per room value associated with the hotel portion of the value.

Property Highlights:

- 356 spacious guest rooms
- Three F&B outlets: Rustic Kitchen Restaurant (leased), Emerald Lounge/Club and Rooftop at Revere (seasonal)
- 28,000 SF of meeting and event space including Space 57 and Theatre 1
- Comprehensive \$29M (\$81K / key) renovation completed in 2012
- Fitness center, indoor heated pool, business center, 24-hour room service
- Valet and on-site parking in property's adjacent 826-space parking garage

Market Highlights:

Market Overview:

- Proven history of strong recovery from market downturns with a RevPAR compounded annual growth (CAGR) of 10.2% from 2003 to 2007 and a RevPAR CAGR of 8.1% from 2009 to 2013; supply CAGR of 0.9% from 2009 to 2013
- Strong, consistent demand base, provided by corporate, convention, and leisure-based guests. Corporate headquarters include Liberty Mutual Insurance, Sovereign Bank, and Bain & Company
- Incredibly diverse employment base with notable concentrations in education, healthcare, finance, research and development and technology industries



Demand Generators:

- The Hynes Convention Center, 1 mile from Revere Hotel
- Tourism:
 - Faneuil Hall and Quincy Market
 - Boston Common
 - Freedom Trail
 - Museum of Fine Arts
 - Newbury Street Shopping
 - Harvard University, Boston University, Boston College, MIT, Northeastern University
 - Fenway Park
 - Boston Public Garden
- Strong growing corporate environment with over 1 million square feet of office space, development underway
- Potential Boston Convention and Exhibition Center expansion to nearly double the current square footage

Historic Performance and Valuation:

Estimated Discount to Replacement Cost: 10% - 15%

November 2014 TTM Occupancy: 87%

November 2014 TTM ADR: \$231

2015 Project Cap Rate (Projected EBITDA)⁽²⁾: 6.9% - 7.1%

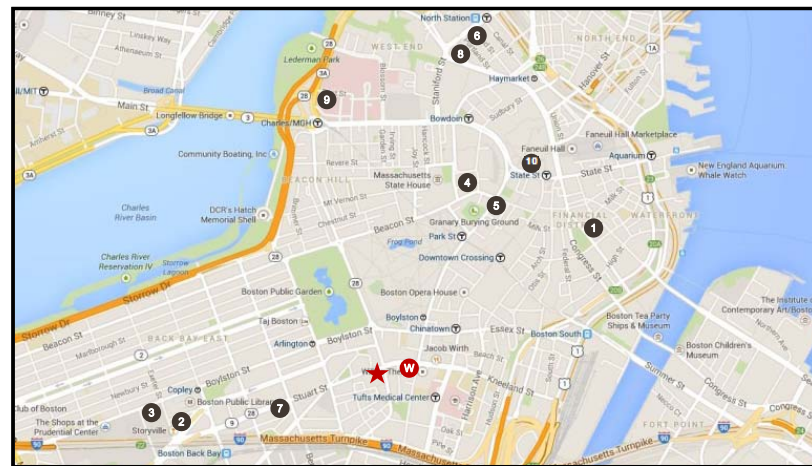
2015 Project Cap Rate (Projected NOI)⁽²⁾: 6.2% - 6.4%

(2) 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").



Competitive Set:

Hotels	Map Marker	Rooms	Year Opened
Revere Hotel	★	356	1972
Langham Hotel Boston	1	318	1981
Copley Square Hotel	2	143	1891
The Lenox	3	214	1900
Preferred Fifteen Beacon	4	63	1999
Kimpton Nine Zero	5	190	2002
Kimpton Onyx Hotel	6	112	2004
Loews Boston Hotel	7	225	2004
The Boxer	8	79	2004
The Liberty	9	298	2007
The Ames Hotel	10	114	2009
Total Comp Set (excluding Revere Hotel)		1,756	
W Hotel Boston (PEB Owned)	W		



Investment Highlights:

Strengths

- Resilient market with steady economic & hotel demand growth
- High barriers to entry & restrained supply
- Great location, central to Back Bay, Financial District and Hynes & BCEE
- Flexible, abundant and unique meeting and event space

Opportunities

- Further increase ADR as property continues to ramp from renovation and benefits from new operator
- Property unencumbered by brand and management
- Improved cash flow through Pebblebrook asset management and best practices
- Benefits from potential renovation

Boston Downtown/Airport Sub-Market Operating Performance

