



## RLJ Lodging Trust Completes Conversion of the Courtyard San Francisco Union Square

September 21, 2015

BETHESDA, Md.--(BUSINESS WIRE)--Sep. 21, 2015-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced that it has opened its Courtyard San Francisco Union Square Hotel (the "Hotel") located in San Francisco, CA. The Hotel underwent a comprehensive renovation which included adding 16 new rooms.

Located just three blocks from the historic Union Square in San Francisco, the Hotel was constructed in 1930 and most recently operated as a 150-room, student housing facility. The Company acquired the Hotel, formerly known as the Vantaggio Suites Cosmo in June 2013 and subsequently closed the property. After an extensive renovation, the property reopened as a 166-room Courtyard by Marriott. The all-in investment of \$56.5 million, or approximately \$340,000 per key, represents a significant discount to replacement cost. The Company expects a forward capitalization rate of approximately 8.6% based on the Hotel's projected 2016 net operating income.

"We are excited to add another high quality hotel in a key gateway market to our portfolio. The repositioning of this asset exemplifies our ability to execute on complex conversion projects to create shareholder value," commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. "We expect that the Hotel's strong brand affiliation and excellent location in the heart of the city will allow it to capitalize on San Francisco's strong market fundamentals."

San Francisco serves as a major gateway market and is ranked as one of the top ports of entry for international travelers to the country and one of the most important transportation centers in the western U.S. Approximately 4.1 million international tourists visited San Francisco in 2014. Since 2009, international visitor spending has increased 71.0%, outpacing domestic visitor spending almost three-to-one. In July, total airline passenger volume at the San Francisco International Airport increased by 6.6%; and, increased 5.1% for the first seven months of the current year.

The Hotel's urban location provides access to a wide variety of leisure and corporate demand generators. It is only three blocks away from one of San Francisco's most visited attractions, Union Square -- world-renowned for its shopping, restaurant, hotel, and entertainment offerings. San Francisco's famed cable car system is also only blocks away from the Hotel, with access to other major tourist destinations such as Fisherman's Wharf and Alcatraz.

San Francisco is home to numerous Fortune 500 companies including Wells Fargo, Gap, and Charles Schwab as well as major technology companies such as Google, Salesforce.com and Twitter. With almost 75 million square feet of office space in the city, and approximately 3 million square feet under development, the area is expected to continue to bring new corporate demand generators. San Francisco is also a major meeting destination for groups with the city's convention center, the Moscone Center, contributing a significant number of room nights to the market annually.

As one of the leading hotel markets in the U.S., the Hotel will benefit from San Francisco's reputation as a major tourist destination and corporate hub for the technology, financial, and biotech sectors. In 2014, the greater San Francisco area was the third highest revenue per available room ("RevPAR") hotel market in the U.S. Its 12.6% RevPAR growth in 2014 was one of the highest among the top 25 U.S. lodging markets according to Smith Travel Research. Year-to-date through August 2015, market RevPAR increased by 9.2%.

With the repositioning of the property as a premium branded, focused-service hotel, the Company expects this asset to have significant upside and to outperform in this dynamic, growing market.

With the addition of this asset, the Company now owns 126 hotels, with approximately 21,000 rooms, located in 22 states and the District of Columbia.

### About Us

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust focused on acquiring premium-branded, focused-service and compact full-service hotels.

### Forward Looking Statements

*The following information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," "may" or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty, increased direct competition, changes in government regulations or accounting rules, changes in local, national and global real estate conditions, declines in the lodging industry, seasonality of the lodging industry, risks related to natural disasters, such as earthquakes and hurricanes, hostilities, including future terrorist attacks or fear of hostilities that affect travel, the Company's ability to obtain lines of credit or permanent financing on satisfactory terms, changes in interest rates, access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt, the Company's ability to identify suitable acquisitions, the Company's ability to close on identified acquisitions and integrate those businesses and inaccuracies of the Company's accounting estimates. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward-looking statements and urge investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of*

*Operations” in the Company’s Annual Report, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the SEC.*

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**RLJ Lodging Trust**  
**Leslie D. Hale, Chief Financial Officer**  
**301-280-7774**