RLJ Lodging Trust Announces the Reopening of the Residence Inn Atlanta Midtown/Georgia Tech

October 7, 2014

BETHESDA, Md.--(BUSINESS WIRE)--Oct. 7, 2014-- RLJ Lodging Trust (the “Company”) (NYSE: RLJ) today announced that it has reopened its Residence Inn Atlanta Midtown/Georgia Tech (the “Hotel”) located in Atlanta, GA. The Hotel was closed for a comprehensive renovation which included adding 12 rooms and upgrading all the guestrooms and public spaces.

“We are excited to reopen this great asset,” commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. “We made significant improvements to the asset and increased the number of keys. We expect this newly renovated asset will benefit from its central location in the heart of Midtown Atlanta and enhance the long-term growth profile of our portfolio.”

The Company purchased a mortgage loan collateralized by the Hotel for approximately $5.0 million in November 2009. The Company initiated and successfully acquired the asset through a foreclosure sale after the borrower defaulted on the loan in early 2013. After an extensive $8.0 million renovation, the property reopened as a 90-room hotel and maintained its premier Residence Inn brand. The all-in price of $13.0 million, or approximately $144,000 per key, represents a significant discount to replacement cost. The Company expects the total investment will represent a forward capitalization rate of approximately 10.0% based on the Hotel’s 2015 net operating income.

The Atlanta market is one of the country’s major gateways to the southeast. It has a strong corporate presence with several Fortune 500 companies in the metro such as Coca-Cola, UPS, Home Depot and Delta Airlines. It also attracts major group events given the availability of a wide variety of conference facilities.

Midtown is known for its urban, high-density office, commercial and residential settings. Major employers such as the Federal Reserve Bank of Atlanta, Georgia Institute of Technology, and Equifax, are based in the submarket which has more than 16.5 million square feet of total office space. Several local tourist attractions, such as the High Museum of Art, Fox Theatre, and Piedmont Park also bring a steady supply of leisure travelers.

The company expects that the Hotel will benefit from its strong location, brand affiliation and its comprehensive renovation.

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. The Company owns 150 properties, comprised of 148 hotels with more than 23,300 rooms and two planned hotel conversions, located in 21 states and the District of Columbia.

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.

Source: RLJ Lodging Trust

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