



RLJ Lodging Trust to Acquire Two Premium, Focused Service Hotels for \$105.9 Million - Expanding Holdings in Washington, D.C. and Entering Seattle Market

July 16, 2015

BETHESDA, Md.--(BUSINESS WIRE)--Jul. 16, 2015-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced it has acquired the 164-room Hyatt Place DC/Downtown/K Street in Washington, D.C. and will acquire within the next few days the 170-room Homewood Suites Seattle/Lynnwood in Lynnwood, WA for a combined purchase price of \$105.9 million. The Company will use the cash available on its balance sheet for both acquisitions.

"We are excited to add another high quality hotel to our Washington, D.C. portfolio and expand our West Coast footprint with our first hotel in the greater Seattle area," commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. "These two acquisitions demonstrate our ability to leverage our extensive network to source accretive, off-market transactions in key target markets."

The Company acquired the recently opened Hyatt Place DC/Downtown/K Street in an off-market transaction for a purchase price of \$68.0 million, or approximately \$415,000 per key. The purchase price represents a forward capitalization rate of approximately 7.1% on the hotel's projected 2016 net operating income and the projected 2016 RevPAR is approximately 53.0% higher than the Company's 2014 reported RevPAR. The property opened in April 2015 following an extensive renovation and conversion from an office building. Located in downtown Washington, D.C., the Hyatt Place is four blocks from three metro stations and centrally located to numerous business and leisure demand generators such as the White House, government agencies, national associations and law firms.

The Washington, D.C. market is poised for accelerated growth heading into 2016 and through 2017. The citywide pace for 2016 is approximately 20.0% higher than the current year pace and 2017 demand is pacing to exceed prior peak levels of 2005 and 2008, bolstered by the 58th presidential inauguration. The strong convention calendar combined with solid corporate and leisure demand are positive indicators for sustained lodging growth over the next couple of years.

The Company also will acquire the 170-room Homewood Suites Seattle/Lynnwood for \$37.9 million, or approximately \$223,000 per key. The purchase price represents a forward capitalization rate of approximately 8.0% on the hotel's projected 2016 net operating income. Opened in May 2014, the Homewood Suites is located in Seattle's premier Lynnwood submarket, a region anchored by diverse industries such as aerospace, technology and healthcare. The Seattle market has been one of the strongest performing Top 25 markets as defined by Smith Travel Research with 12.6% RevPAR growth in 2014 and 10.9% year-to-date as of May 2015.

These recently opened properties are immediately accretive to the Company's portfolio RevPAR and are well positioned to take advantage of strong demand dynamics. With the addition of these two assets, the Company will own approximately 128 properties, comprised of 126 hotels with approximately 20,800 rooms and two planned hotel conversions, 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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