



## RLJ Lodging Trust Completes Transformational Conversion of the SpringHill Suites, Houston Downtown/Convention Center

September 1, 2015

BETHESDA, Md.--(BUSINESS WIRE)--Sep. 1, 2015-- RLJ Lodging Trust (the "Company") (NYSE:RLJ) today announced that it has opened its 167-room SpringHill Suites Houston Downtown / Convention Center (the "Hotel") following an extensive conversion of an 82-unit apartment building. The Hotel was acquired by the Company in 2013 as part of the Humble Oil Building Complex in downtown Houston, which also included the 191-room Courtyard Houston Downtown/Convention Center and the 171-room Residence Inn Houston Downtown/Convention Center. The complex was purchased for a total of \$79.5 million.

"We are excited to open this hotel," commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. "The Hotel's proximity to one of the top-10 convention centers in the country and synergies with our other two adjacent Marriott branded properties should allow the hotel to ramp up nicely. We expect strong returns from this asset over the long term as we expect Houston to be a strong performing market with its broad base of demand generators."

The Company expects to realize a forward capitalization rate of approximately 8.0% based on the Hotel's projected 2016 net operating income over its allocated cost, including renovations. The all-in investment in the Hotel of approximately \$195,000 per key represents a significant discount to replacement cost given the prime location of this asset.

Houston is a major meeting destination for groups and the Hotel is conveniently located near the 1.2 million square foot George R. Brown Convention Center, ranked as one of the nation's 10 largest convention centers. The Hotel is also situated in close proximity to three major sporting arenas, several restaurants, Broadway style entertainment and nightlife in the Houston CBD.

Among major U.S. cities, Houston ranks third behind New York and Chicago for Fortune 500 companies. The Houston CBD is home to ten of the 26 Fortune 500 companies based in the Houston area including Waste Management Inc., MRC Global, KBR and Kinder Morgan. With almost 40 million square feet of office space in the CBD, and another 1.5 million square feet under development, the area is expected to continue to bring new corporate demand generators. The unemployment rate of 4.5% in the Houston area remains below the national average; and, since 1990 the local economy has shown resilience, experiencing only four years of net job losses.

Additionally, Houston serves as a major gateway for Latin America along with several other countries. Houston's largest airport, the George Bush Intercontinental Airport, offers nonstop domestic and international service to 170 destinations, and offers service to more Mexican destinations than any other airport in the United States. In June, total airline passenger volume at the George Bush Intercontinental Airport increased by 6.2%; and, increased 3.6% for the first six months of the year. The William P. Hobby Airport serves as Houston's second largest airport and is on schedule to open a new international terminal in October of this year with flights to Latin America and the Caribbean. The new terminal is estimated to bring in an additional one million passengers per year.

The Company expects that the positioning of the property as a premium branded, focused-service hotel will strengthen its market presence and allow it to benefit from corporate demand as well as the continued presence of Houston as a major convention destination.

With the addition of this asset, the Company now owns 126 properties, comprised of 125 hotels with approximately 20,800 rooms and one planned hotel conversion, 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.*

View source version on businesswire.com: <http://www.businesswire.com/news/home/20150901005945/en/>

Source: RLJ Lodging Trust

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