CBRE

CITY OF KENNER | LAKETOWN

Market Research, Feasibility, and Disposition Strategies

May 2018

PREPARED FOR

COMMERCIAL REAL ESTATE SERVICES

Peter Jansen
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May 2018

Eric Mund
Assistant City Attorney
City of Kenner

Mr. Mund,

On behalf of the CBRE Team ("CBRE"), we want to express appreciation for the opportunity to advance the City of Kenner's ("The City") goals for the Laketown site. The analysis and recommendations on the following pages consider the unique (in the truest sense) characteristics of the site, which proved to be quite challenging. CBRE's national experience and the associated best practices gathered from other complex projects on behalf of the City's peer group contributed greatly to this report and offer a market-tested approach that will help the City realize its goals.

CBRE assembled a team of Parish market experts, hospitality consultants, public-sector advisors to contribute to this report and we believe this report addresses the most essential issues related to this site and the City's goals.

We would welcome the opportunity to continue the discussion, refine this report to reflect new elements, and further assist the City in the execution of the implementation plan.

Thank you again for the opportunity assist the City in this project.

Sincerely,

Peter D. Jansen

Peter Jansen

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PROJECT BACKGROUND
INTRODUCTION

CBRE is pleased to present to the City of Kenner its real property market analysis and recommendations for the Laketown site. The City's stated goals are economic development, and a vibrant real estate development project that anchors the City and provides fresh energy to the convention center. To that end, CBRE was tasked to provide its perspective on the development potential and marketing strategies for the surplus land, given current market conditions and the site's unique characteristics.

Before providing the observations, conclusions and recommendations for the asset, we provide herein an overview of the history of the site and related initiatives that will give context to the rest of the report.

PROJECT BACKGROUND
HISTORY

The City of Kenner has long considered its control of the site known as Laketown to be a highly valuable site with the opportunity to be a catalyst for the City and anchor economic development. As early as 1988, the City commissioned consultants to explore the site's potential and as recently as 2017, the City engaged valuation experts (appraisers) to provide a range of values related to what the consultant deemed to be its highest and best use. Furthermore, the City approached the development community in 2016 to explore interest in a developer-led project that did not explicitly commit City financial, tax, or permitting support. This Request-for-Proposal received a limited response from local developers and the City did not proceed at that time with a proposal.

With respect to planning, uses, and vision, the City has periodically completed master planning or site development planning in consultation with land planners, architects, and citizen's advisory committees. The City has not formally adopted a master plan or prescribed uses or a mix of uses, but has explored a range of options, including but not limited to:

- Enhanced boating access
- Waterfront restaurants
- Entertainment venues
- Mixed-use development

Previous reports have proposed a range of City support, including tax breaks, grants, and era-specific incentives, as well as applicable incentives relevant despite the age of the reports.

PROJECT BACKGROUND
CITY OBJECTIVES / CBRE SCOPE OF SERVICES

Representatives of the City of Kenner expressed a number of goals related to the site, potential projects, and overarching vision. Feedback included:

- Desire to tie Laketown to Rivertown
- Large scale, mixed-use project
- Destination for the region and accessible for Kenner residents, reflecting the culture of the City
- Encouraging of day-time foot-traffic, but enables diverse weekend events and activities
- Strong political will to include amphitheater or other similar public-use

CBRE was engaged primarily to identify if there are market forces sufficient to generate a deep competitive pool amongst the development community, either regionally or nationally to serve as the City's development partner.

CBRE was charged secondarily to provide a decision framework to the City to inform the path forward.

Key questions answered in this report include:

1. How can CBRE arm the City with data and prepare a decision framework criteria in advance of the market engagement?

2. How can CBRE aid the City in maximizing value while achieving the long-term stakeholder vision?

3. What process should be deployed to maximize interest in the project and generate meaningful competition?

4. What process will carry the least risk for the City? How do the risks of development impact the City's position and a potential partner's position?

PROJECT BACKGROUND
SITE OVERVIEW

Site: 15+ acres

Condition: Water-bottom fill

Owner/Lessor: State of Louisiana

Lessee: City of Kenner

Term: Expires 2031

Zoning: Laketown District (Mixed use)

Site Characteristics:

- Challenging geotechnical conditions
- Multiple levee/engineering considerations

Existing uses: Public, recreational, with nearby gaming, and hospitality via the convention center.

SUMMARY OF FINDINGS
LAKETOWN DEVELOPMENT

Upon review of all elements of the site and potential projects in relationship to the City's goals, CBRE's findings can be summarized as follows:

- The unusual site characteristics and elements that impact the development process place material limits on its marketability to regional or national developers on a *prescriptive use-basis*. Prescribing a pre-determined mix of uses or master plan may eliminate the possibility of achieving the City's development goals without understanding the market-based possibilities.

- The ground lease duration severely limits commercial development and would need to be extended to a minimum of 65 years to enable private financing.

- The City's limited cash position impacts its ability to support the project without a bond referendum, and the City's bond capacity may not be sufficient for large-scale projects, thus is it highly likely that private financing is the primary source of capital.

- The valuations of the property are highly conditional on infrastructure and other City investments, and assume a master plan, subdivisions, and platting that require speculation by the City as to end uses.

- The site has material engineering risks due to sub-surface geotechnical conditions, impacting construction costs of potential end uses. In addition, the City may have engineering obligations to the Army Core of Engineers.

- While other comparable lakeside sites in other submarkets have been developed in to mixed-use projects that have performed well, Laketown's market dynamics are less supportive of office uses or luxury condominiums.

- Commercials uses are unfeasible without meaningful City support, including financial support, infrastructure construction, and/or tax abatement; however, natural end uses include additional gaming, public recreation, *destination* retail/hospitality, and market-rate multi-family housing.

RECOMMENDATIONS
LAKETOWN DEVELOPMENT

CBRE's recommendations carefully consider the City's goals and the Findings from the study and are summarized below. The basis for each recommendation is expounded upon throughout the report or explicitly in an Appendix.

- The City should consider partnering on a qualifications basis with a Development Team ("Partner, or Developer"). The selection of a Partner would not be related to a response to a Request for Proposal, but instead on a Request for Qualifications (see appendix for specific RFQ recommendations).

- The partnership should initially be formed through the creation of an Exclusive Rights Agreement, or other appropriate binding document, that allows the City's Partner the security (time, control, and exclusivity specifically) of an agreement that can be utilized to reduce risk, establish development plans, attract financial partners, and navigate applicable process hurdles such as the extension of the ground lease. (see appendix for specific ENA recommendations)

- The City might consider relying on public feedback on previous master plans and established zoning in its public relations prior to the establishment of a final development plan. The inclusion of public feedback in the preliminary phases of this project may negatively impact the Development Team's ability to attract users, partners, and financing. Public feedback can be solicited downstream in response to *actual market-based feedback, rather than theoretical uses and plans*.

- In any future proposed development by the Developer, the project should be analyzed on holistic economic impact. The City should consider establishing Tax Increment Financing for any future project to ease the capital raising process for the Development Team and minimize the need for self-performance on infrastructure or other site development efforts.

- While the value of the land could be material in a future development once the project achieves critical mass, the tax base of the improvements will be far more impactful to the City and other taxing entities. Accordingly, the City should consider minimizing the lease rate to the sub-lessee (Development Team) during the construction period to maximize the chances of the projects completion and success.

APPROACH TO PROJECT
SCOPE & EXECUTION

CBRE's scope evolved to reflect the unexpected findings that required a markedly different approach due to their implications. CBRE carefully consider the City's goals to provide the City with a roadmap such that the project can proceed quickly and with minimal procurement requirements by the City. The results are intended to be politically neutral/agnostic – tasks and analysis were performed by various CBRE resources.

Site Due Diligence

- Toured the site on multiple occasions, as well as all current and proposed developments in Kenner (multiple CBRE professionals).
- Examined regional projects in New Orleans and other parishes.
- Reviewed any project element that impacted future development – environmental, access, engineering.

Vision/Planning/Resource Review

1. Interviewed relevant stakeholders, including developers, investors, and users.
2. Engaged City team to understand goals and objectives.
3. Identified current and future civic needs – found to be inapplicable to project.
4. Review development objectives and existing resources/team – City completed supplemental limited geotechnical study in early 2018 at CBRE's recommendation.

Feasibility Modeling

- Given current market conditions, CBRE analyzed the highest and best uses, in the context of stakeholder vision, to include the possibility of ***all*** market end uses.
- CBRE considered multiple transaction structures, phasing strategies, and the risk profiles of different strategies.

SITE / VALUE ANALYSIS
GROUND LEASE IMPACT

A key component of the Laketown site is the existing transaction structure and the resulting impact on the future development. Ground Lease transactions have material effects on the marketability, end uses, a financial exit for the development team, tenants, capital stack requirements, loan covenants, sovereign immunity and subordination, amongst other things. Specific to the City of Kenner, the fact that a future transaction will be a sub-lease, with additional leases compounding the development scenarios, involving multiple public-sector entities, will add material complexity to any project. Outlined below are key elements and the positive as well as negative impacts of each.

Marketability

- Ground lease development projects can be a material deterrent to many developers and investors. CBRE anticipates this aspect to reduce the pool of interested developers by 50-60%
- A sublease of a ground lease from the State of Louisiana may further reduce the pool of interested developers.

End Uses

- Multi-family – Any lease term of less than 65 years will make financing a multi-family project nearly impossible. CBRE recommends a minimum term of 75 years. with the State to enable the development team to consider this use.
- Retail users/tenants – the Appraisal notes the conditions necessary to market pad-sites to users, but assuming they are effected, CBRE notes that many national retail tenants are accustomed to 20-30 year ground lease terms. Accordingly, assuming the master plan and resulting retail opportunities are attractive to national tenants, we would not anticipate the ground lease to negatively impact retail users.
- Condominiums – for-sale, fee-simple improvements on the site will be extremely challenging for any developer to finance and sell. CBRE believes condominiums to be an unlikely end-use given the complexities.

SITE / VALUE ANALYSIS
GROUND LEASE IMPACT – CONTINUED

Transaction Structure / Investment Strategies

- The investment strategies relevant to this project within the development community can usually be categorized as either merchant builders/fee developers or long-term investors, depending on their sources of capital. Merchant builders generally invest with a 3-5 year time horizon and divest of their interests once the project is stabilized with income producing tenants by selling to longer term investors such as pension funds or family offices. However, when a ground lease is applicable, the investor pool is materially reduced. CBRE Capital Markets advisors anticipate this aspect will reduce the pool of interested investors by 60-75%. ***Accordingly, the Developer may be required to source long-term equity from the outset, which could impact the time from execution of an exclusive agreement to ground-breaking. The City of Kenner should be prepared for a protracted pre-development/financing period.***
- Other important transaction elements impacted by the ground lease are the subordination and loan covenants. The vast majority of development projects include a lender partner for the construction loan and then a separate long-term note upon stabilization and refinancing. The City will need to carefully consider its position in multiple recourse scenarios as lenders will be appropriately interested in the City and State's sovereign immunity clauses and subordination. Furthermore, defining these scenarios and the specific processes related to any City budgeting or State approvals adds a layer of complexity as well. For these reasons, CBRE finds it likely that local developers will deep ties to the community and State will be the likely candidates up to the challenge of tackling these issues.
- At this point in the national and global development cycle, adjusting pricing for these risks is complex, but CBRE anticipates that the required returns from equity and debt partners will be at a premium to comparable mixed-use, ground-up projects.
- Ground leases yields typically range in value from 5-7% of the appraised value (post infrastructure upgrades), with annual 1% increases in base rate (or 5% every five years), and a reset after 50 years.

SITE / VALUE ANALYSIS
PRODUCT/END USE

Hotel

- Supply in the development pipeline (9 hotels, 900+ rooms) creates competition
- Year-over-year declines in Average Daily Rate and “REVPAR” – market supports $100 ADR and $65 REVPAR
- **City implications**:
  - Independent development unlikely - tied to mixed-use project or gaming

Marina

- Full Marina Service not supported by market
- Enhanced access should be provided in a development project
- **City implications**:
  - Likely to require financial support

Waterfront Restaurant Pad

- Supports all park uses
- Attractive rates
- Traffic generator
- Can be developed independently or as part of mixed-use/larger project
- Market supported
- **City implications:**
  - Infrastructure upgrades potentially needed

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PRODUCT/END USE

Office

- Not supported by market
- Unproven submarket
- **City implications:**
  - May be in City's interests to subsidize a co-working space as use will create foot traffic and support retail

Residential

- For rent housing (multi-family) not naturally supported by market as local market rents do not support construction costs
- Average Rent - $1.30-1.50 psf
- Costs: $150-200 psf (excluding land)
- Higher risk profile for Development Team/Investors
- **City implications:**
  - Likely requires infrastructure support

Retail

- Retail follows rooftops
- Likely last product type to be developed
- Restaurant pad site – very attractive
- **City implications:**
  - Success tied to larger project – support larger initiatives first as likely last product to deliver

SITE / VALUE ANALYSIS
UNLOCKING VALUE – CITY STRATEGY

Once the City proceeds to attract a suitable Developer and begins to collaboratively pursue a development project, CBRE believes there are specific concepts/items/goals that merit consideration. These can be summarized in three categories - Design, Financial, Partnership/Community – all of which are intended to support the City's long-term objectives, given market trends and site constraints.

Design

- CBRE recommends the City consider limiting its design influence to sustainability goals, protecting community access, and other initiatives that promote a long-term partnership with the community. Developer goals that may conflict with City objectives include privacy or limiting access to attract higher returns.
- The Retail sector has quickly and permanently changed due to online commerce. CBRE recommends the City focus its influence on *placemaking, activity, attraction, and flexibility of spaces,* as opposed to brand name end-users or static places. CBRE believes the City will be far better served by spaces reserved for "pop-up" retail such as food trucks (with perhaps some semi-permanent infrastructure). Market/food-hall concepts that capitalize on the water access will create density, activity, and environment.

Financial

- The City should consider alternative financial returns derived from sources other than just guaranteed ground lease income.
  - Percentage of Net Operating Income – the City could benefit from returns related to the success of the overall project that factors in all sources of revenue. For example, 3%-5% of the Partner's income once the project is fully leased.
  - Creative lease payments – the City could allow the Partner reduced or deferred lease payments until the project is operational.
  - Thresholds/Benchmarks – Financial returns of the project should be transparent and validated by the City annually and the City should seek financial participation that has guaranteed minimum payments and prevents additional capital contribution requirements.

SITE / VALUE ANALYSIS
UNLOCKING VALUE – CITY STRATEGY – CONTINUED

Partnership / Community

- CBRE recommends the City consider establishing an authority or public facilities corporation that can manage the partnership independently and without other political hurdles or processes. This entity may benefit from having public and private stakeholders participate – for example, a sample composition of the board could include a representative of the State due to their fee-simple interest in the asset, and representatives of the development team, along with City and citizen representatives.

- The City may benefit from considering the following examples as models of programming, private uses, and public funding.

    - Klyde Warren Park – Dallas

    - Zilker Park – Austin (C3 Presents / Austin City Limits Music Festival)

KEY QUESTIONS – ENSURING SUCCESS
GO FORWARD STRATEGY

CBRE believes the success of a potential project is closely tied to the City's commitment to the project, assuming a partner is secured and allowed the time to navigate the complexity of the situation. CBRE recommends that the City carefully consider how to align alongside the selected partner and commit its full resources to support the project. The consideration of the below questions may aid the City in determining an appropriate path forward and its level of commitment to the project. The more clearly the City can represent answers to the below questions will have a material impact on the marketability of the project (to developers, and downstream to investors and tenants/users).

- What interim steps can the City take to reduce the risk profile of a major project? (Environmental Phase 1, Infrastructure bond package or investment)
- Does the City have the appropriate entities established to participate in a partnership? (legal, board/staffing, processes, etc.)
- Has the City procured/budgeted sufficient external technical or professional resources to manage its interests for a multi-year project? (legal, construction owner's representative, etc.)
- Does the City have the funding mechanisms (TIF, cash, bond capacity) for this project?
- What is the City's risk profile with respect to financial participation?
- How can the City segregate its regulatory responsibilities from its economic interests?
- Has the City established the appropriate governance structure for a public-private partnership?


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PROCESS | SCHEDULE | MARKET DATA

MARKETING STRATEGY
MAXIMIZING INTEREST/PARTICIPATION

CBRE believes the challenging nature of the site and development requires a broad marketing campaign once the City establishes a clear path forward, assuming there is not a direct engagement with a local developer/partner. General recommendations as to how a project of this nature can and should be marketed follow:

General Approach

- Engage specialty disciplines (i.e. Hotel, Marina, Residential, Gaming, etc.)
- Issue RFQ to broad universe of investors/developers/users

Marketing

- Broad distribution of opportunity (local, regional, national)
- Broker Community/Communications
- Signage
- Collateral Materials
- Internet
  - Loopnet
  - Costar
  - Broker Mailings

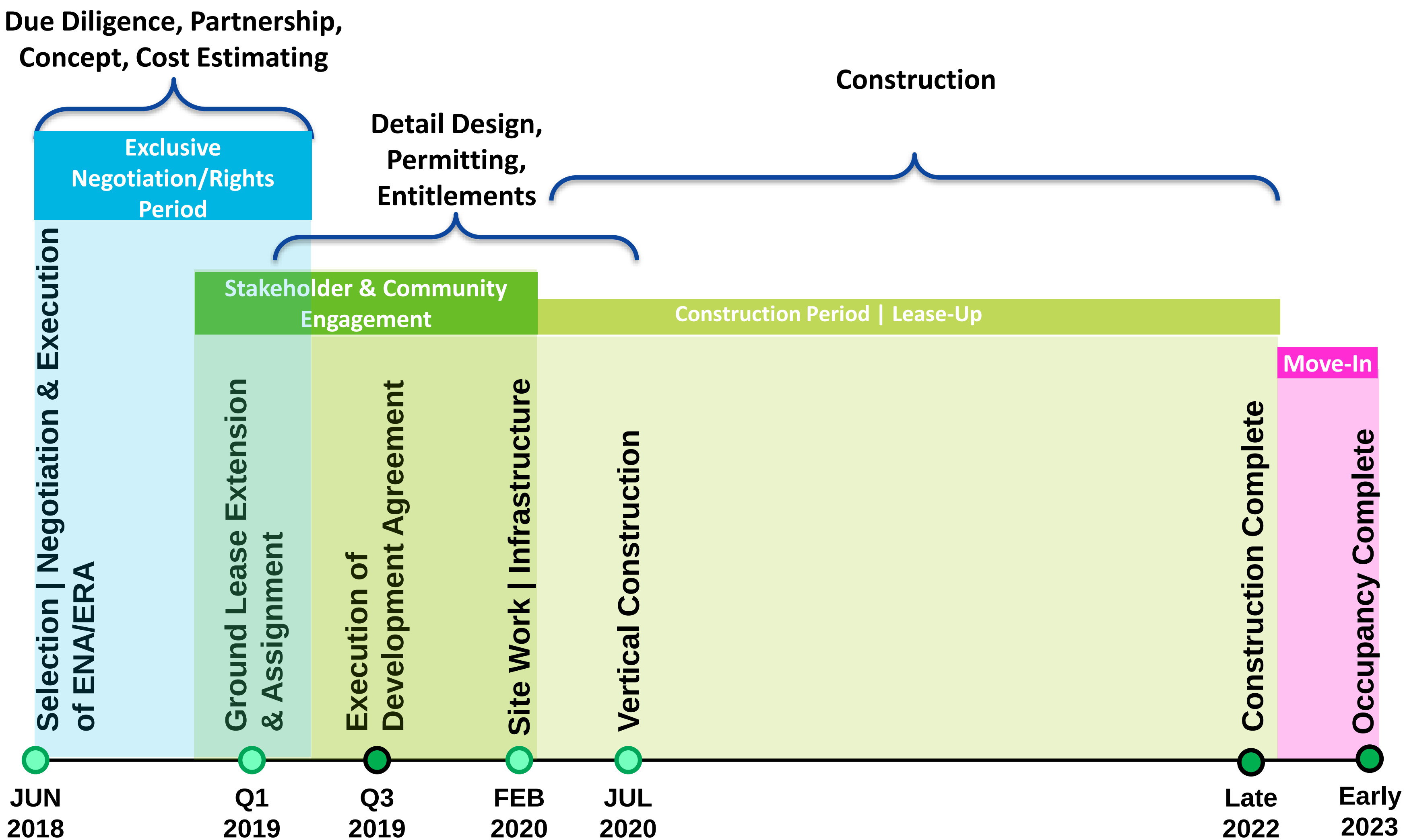
Market the Region & City

- Stakeholder collaboration
- Quality of Life
- Business Opportunity

TRANSACTION
PROCESS HIGHLIGHTS

RFQ/Direct Q2 2018	• Request For Qualifications (RFQ) or Direct Award
ENA (Q2 2018)	• Exclusive Negotiation Agreement or Rights Agreement (ENA/ERA) – outline key business terms, project milestones and deadlines, as well as roles and responsibilities of the development team and City
PDA (Q4 2018)	• Preliminary Development Agreement – established by schematic design and pricing exercise, pre-leasing activity, capital commitments, and approvals by stakeholders for conveyance and delivery of the project
Incentives (Q1 2019)	• Tax-Increment Financing, Tax Abatement, or other City-backed incentives established, voted upon, and secured
DA (Q3 2019)	• Development Agreement (DA) or other binding transaction documents executed

DELIVERY TIMELINE
TARGET



EVALUATION CRITERIA
RFQ/DIRECT AWARD - SELECTION CRITERIA RECOMMENDATIONS

Criteria	Purpose
Balance Sheet / Capital Access	Team has demonstrated balance sheet strength and access to capital, or a solid plan to broker capital placement.
Preliminary Development Plan & Massing Concepts	Team's concept is reasonable and approach demonstrates understanding and experience necessary to achieve policy goals, public use requirements, amenities, transit, and required infrastructure.
Proposer Qualifications and Structure	Team offers relevant development, design, and construction expertise and has experience with similar projects
Financial Approach	Team offers a sound financial approach that minimizes City risk

SUMMARY OF COSTS/RATES/FEES
DEAL STRUCTURE

Negotiating the transaction structure with the selected development team should be guided by market fees/forces, as provided below.

Element	Market Rate/Range	Comments
Developer Fee	3-5% of hard and soft costs	Subject to risk profile
Capital Placement Fee	0.5% debt / 1-2% equity	Sources, fees, and cost of capital/returns should be "open book" to the City; performed by developer or third-party advisor
Design/Build Fee	3-4%	Applicable in the event one or more aspects of the site are delivered in this model
Owner's Representative Fee	1.5-2% of Total Project Costs	Service provider to City/State to ensure interests are protected throughout project, developer accountability/schedule, independent cost estimates and procurement leverage/purchasing power
General Conditions	5%-7%	Suggest higher allowance due to sub-surface conditions
Contingency (Sharing)	5%	Progressively reduced through design process, with increased risk assumption by development partner
Lender Financing Fee	1%	Construction and permanent financing
Construction Loan	LIBOR + 200 basis point (5-7%)	Developer's balance sheet unencumbered and without cross-collateralization
Equity	12-15%	Limited exit opportunities suggest higher return requirements
Capitalization Rate – Multi-Family	6.25-7.5%	Class B+ Product | Submarket discount + Ground Lease Premium

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APPENDIX – MARKET DATA

- MULTIFAMILY COMPARABLE PROJECTS

- REGIONAL NARRATIVE

MARKET DATA
MULTI-FAMILY

Comparable	Residential - Multi-unit Garden	No. 1

Property Name Address	Harper's Ferry 601 Vintage Dr. Kenner, LA 70065 United States
Government Tax Agency Govt./Tax ID	Jefferson 920022639

Unit Mix Detail

Rate Timeframe N/A

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio/1 BR	30	17%	429-460	$625-$1,030	$1.86
1 BR, 1 BA	86	50%	620-653	$730-$990	$1.35
2 BR, 1 BA	56	33%	867-957	$920-$1,275	$1.20
Totals/Avg	172			$932	$1.34

Improvements

Land Area	5.739 ac	Status	Existing
Net Rentable Area (NRA)	119,834 sf	Year Built	1981
Total # of Units	172 Unit	Year Renovated	N/A
Average Unit Size	697 sf	Condition	Good
Floor Count	2	Exterior Finish	Fiber Cement Plank
General Amenities	N/A		
Unit-Specific Amenities	N/A		

Rental Survey

Occupancy	96%	Utilities Included in Rent	N/A
Lease Term	N/A	Rent Premiums	N/A
Tenant Profile	N/A	Concessions	N/A
Survey Date	11/2017	Owner	N/A
Survey Notes	N/A	Management	1st Lake Properties, Inc.

Map & Comments

This comparable represents a 119,834 SF apartment complex, located at 601 Vintage Drive in Kenner, Louisiana. It is situated on a 5.74 acre site. Built in 1981, the building consists of two stories and 172 units: 30 studio apartments, 86 one bedrooms, and 56 two bedrooms. The exterior is finished with fiber cement plank. Water & Sewer Service charge are $22.00, $27.00, and $32.00 for studio, one bedroom, and two bedroom apartments, respectively. Amenities include walking paths, a tennis court, grilling area, creeks, fountains, two swimming pools, and controlled gate access. This complex currently offers $100.00 in free rent and a $350.00 reimbursement of moving costs.

MARKET DATA
MULTI-FAMILY

Comparable	Residential - Multi-unit Garden	No. 2

Property Name Address: Lakes of Chateau Estates South 3600 Loyola Dr.
Kenner, LA 70065
United States

Government Tax Agency: Jefferson
Govt./Tax ID: 920028441

Unit Mix Detail

Rate Timeframe Unit Type	Monthly No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	96	39%	851-928	$1,150-$1,605	$1.55
2BR/2BA	48	19%	1,052-1,100	$1,165-$1,700	$1.33
1BR/1BA - Attached Garage	52	21%	1,178-1,189	$1,255-$1,745	$1.27
2BR/2BA - Attached Garage	52	21%	1,570-1,586	$1,310-$1,800	$0.99
Totals/Avg	248			$1,451	$1.28

Improvements

Land Area	15.516 ac	Status	Existing
Net Rentable Area (NRA)	280,638 sf	Year Built	1999
Total # of Units	248 Unit	Year Renovated	N/A
Average Unit Size	1,132 sf	Condition	Average
Floor Count	3	Exterior Finish	Fiber Cement Board

General Amenities: Controlled Access, Outdoor Athletic Facility, Pool

Unit-Specific Amenities: Dishwasher, Fireplace, Laundry in unit, Private Balcony / Patio, Private Garage, Refrigerator, Washer / Dryer Machines

Rental Survey

Occupancy	98%	Utilities Included in Rent	Trash, Pest
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Professional	Concessions	None
Survey Date	05/2015	Owner	N/A
Survey Notes	N/A	Management	1st Lake Properties, Inc.

Map & Comments

This comparable represents a Class B, multi-family garden apartment project located in Kenner, Louisiana. The property is bounded to the north by its sister project, Lakes of Chateau Estates North. Project amenities consist of a tennis court, private stocked lake, running paths with bridges, fitness center, entertainment center, on-site video rental (complimentary), extensive landscaping, gazebos, grilling area, attached garages, swimming pool, detached garages, and electronically controlled access gates. Unit amenities consist of a full electric appliance package including a dishwasher, refrigerator, oven/range, and disposal, as well as alarm systems, patio/balcony in each unit, ceiling fans, fireplaces, sunrooms, vaulted ceilings, walk-in closets, washer/dryer, crown molding, and ceramic tile flooring in bathrooms.
Select units contain attached garages. No concessions were offered at the time of survey.

MARKET DATA
MULTI-FAMILY

Comparable	Residential - Multi-unit Garden	No. 3

Property Name Address	The Lakes of Chateau North 3700 Loyola Drive Kenner, LA 70065 United States
Government Tax Agency Govt./Tax ID	NA N/A

Unit Mix Detail

Rate Timeframe Unit Type	Monthly No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	124	25%	850-936	$1,020-$1,345	$1.32
2BR/2BA	124	25%	1,050-1,110	$1,380-$1,660	$1.41
1BR/1BA - Attached Garage	124	25%	1,227-1,244	$1,145-$1,510	$1.07
2BR/2BA - Attached Garage	121	25%	1,634-1,652	$1,545-$2,040	$1.09
Totals/Avg	493			$1,454	$1.20

Improvements

Land Area	N/A	Status	Existing
Net Rentable Area (NRA)	596,657 sf	Year Built	2000
Total # of Units	493 Unit	Year Renovated	N/A
Average Unit Size	1,210 sf	Condition	Average
Floor Count	3	Exterior Finish	Fiber Cement Board
General Amenities	Controlled Access, Outdoor Amenity , Pitched Roofs, Pool		
Unit-Specific Amenities	Dishwasher, Fireplace, Laundry in unit, Private Balcony / Patio, Private Garage, Refrigerator, Washer / Dryer Machines		

Rental Survey

Occupancy	99%	Utilities Included in Rent	Trash; Pest
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Professional	Concessions	None
Survey Date	05/2015	Owner	N/A
Survey Notes	N/A	Management	1st Lake Properties

Map & Comments

This comparable represents a Class B, multi-family garden apartment project located in Kenner, Louisiana. The property is bounded to the south by its sister project, Lakes of Chateau Estates South. Project amenities include a yoga room, fitness center, 2 swimming pools, formal garden arbor, grilling area, gazebos, tennis court, private stocked lake, running path with bridges, on site video rental (complimentary) extensive landscaping, detached garages, and electronically controlled access gates. Unit amenities consist of a full electric appliance package including a dishwasher, refrigerator, oven/range, and disposal, as well as alarm systems, patio/balcony in each unit, ceiling fans, fireplaces, sunrooms, vaulted ceilings, walk-in closets, washer/dryer, crown molding, and ceramic tile flooring in bathrooms. Select units also contain attached garages. No concessions were offered at the time of survey.

MARKET DATA
MULTI-FAMILY

Comparable	Residential - Multi-unit Garden	No. 4

Property Name	Sugarmill Apartments
Address	4520 Williams Blvd. Kenner, LA 70065 United States
Government Tax Agency	Jefferson
Govt./Tax ID	920021196

Unit Mix Detail

Rate Timeframe N/A

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	144	26%	450	$655-$920	$1.75
1BD/1BA	273	50%	630-722	$730-$1,200	$1.43
2BD/1BA	128	23%	812-1,026	$975-$1,430	$1.31
Totals/Avg	545			$974	$1.45

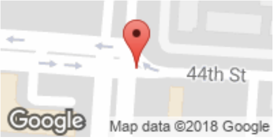
Improvements

Land Area	15.677 ac	Status	Existing
Net Rentable Area (NRA)	358,751 sf	Year Built	1977
Total # of Units	545 Unit	Year Renovated	N/A
Average Unit Size	658 sf	Condition	Good
Floor Count	3	Exterior Finish	Fiber Cement Plank
General Amenities	N/A		
Unit-Specific Amenities	N/A		

Rental Survey

Occupancy	N/A	Utilities Included in Rent	N/A
Lease Term	N/A	Rent Premiums	N/A
Tenant Profile	N/A	Concessions	N/A
Survey Date	11/2017	Owner	N/A
Survey Notes	N/A	Management	1st Lake Properties, Inc.

Map & Comments



This comparable represents a 358,751 SF, 545-unit multi-family garden property located at 4520 Williams Boulevard in Kenner, Louisiana. The property consists of 23 predominantly three-story apartment buildings, two pools and two pool houses, two management/leasing offices, six mail kiosks, three lighted tennis courts, extensive landscaping including a one acre manmade lake and creeks, and associated site improvements. The unit mix is split between 144 studio apartments, 273 one bedrooms, and 128 two bedrooms. The improvements were constructed in 1977, renovated in 2008 and are situated on a 15.677-acre site. Currently, the property is considered to be in good overall condition. The subject has completed a $11,071,000 ($20,314) renovation in 2007 which included new hardiboard siding exteriors enclosure of balconies and patios into a sunroom.

MARKET DATA
MULTI-FAMILY

Comparable	Residential - Multi-unit Garden	No. 5

Property Name	Seasons
Address	3800 Grandlake Blvd. Kenner, LA 70065 United States
Government Tax Agency	Jefferson
Govt./Tax ID	920019900

Unit Mix Detail

Rate Timeframe: Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BD, 1BA	240	79%	700	$705-$745	$1.04
2BD, 2BA	56	18%	1,000	$960-$1,035	$1.00
2BD, 2.5BA TH	8	3%	1,200	$1,130-$1,175	$0.96
Totals/Avg	304			$786	$1.02

Improvements

Land Area	12.280 ac	Status	Existing
Net Rentable Area (NRA)	233,600 sf	Year Built	1990
Total # of Units	304 Unit	Year Renovated	N/A
Average Unit Size	908 sf	Condition	Average
Floor Count	3	Exterior Finish	Vinyl Siding

General Amenities	Outdoor Athletic Facility, Pitched Roofs, Pool, Surface Parking
Unit-Specific Amenities	Dishwasher, Fireplace, Laundry in unit, Private Balcony / Patio, Refrigerator, Vaulted Ceiling, Washer / Dryer Machines

Rental Survey

Occupancy	97%	Utilities Included in Rent	N/A
Lease Term	N/A	Rent Premiums	N/A
Tenant Profile	N/A	Concessions	N/A
Survey Date	11/2017	Owner	N/A
Survey Notes	N/A	Management	Tonti Management

Map & Comments

This comparable represents a 233,600 SF apartment complex, located at 3800 Grandlake Boulevard in Kenner, Louisiana. It is comprised of 14 Class C buildings, constructed in 1990, and finished with vinyl siding. It is located on a 12.28 acre plot of land. The property is a mix of 240 one bedroom apartments, 56 two bedroom apartments, and 8 two bedroom townhouses. Water and sewer surcharges are $25.00 for one bedroom apartments, and $30.00 for both two bedrooms and townhouses. Complex amenities include two pools, lighted tennis courts, fireplaces, intrusion alarms, refrigerators, dishwashers, garbage disposals, ceiling fans, cable connections, patios and balconies, and washer and dryers. This property is not offering any rental concessions at this time.

MARKET DATA
MULTI-FAMILY

Comparable	Residential - Multi-unit Garden	No. 6

Property Name Address	Pelican Bay 2150 42nd St. Kenner, LA 70065 United States
Government Tax Agency	Jefferson
Govt./Tax ID	920027802

Unit Mix Detail

Rate Timeframe: Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	24	33%	851-899	$960-$1,715	$1.53
2BR/2BA	24	33%	1,052-1,100	$1,210-$1,990	$1.49
1BR/1BA - Attached Garage	12	17%	1,200-1,211	$1,205-$1,485	$1.12
2BR/2BA - Attached Garage	12	17%	1,597-1,612	$1,425-$1,915	$1.04
Totals/Avg	72			$1,482	$1.32

Improvements

Land Area	2.927 ac	Status	Existing
Net Rentable Area (NRA)	80,980 sf	Year Built	2001
Total # of Units	72 Unit	Year Renovated	N/A
Average Unit Size	1,125 sf	Condition	Average
Floor Count	2	Exterior Finish	Fiber Cement Board

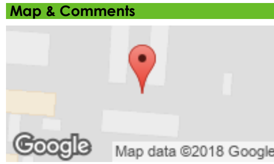
General Amenities: Controlled Access, Pool

Unit-Specific Amenities: Dishwasher, Gourmet Kitchen, Laundry in unit, Private Balcony / Patio, Private Garage, Refrigerator

Rental Survey

Occupancy	N/A	Utilities Included in Rent	N/A
Lease Term	N/A	Rent Premiums	N/A
Tenant Profile	N/A	Concessions	N/A
Survey Date	11/2017	Owner	N/A
Survey Notes	N/A	Management	1st Lake Properties, Inc.

Map & Comments



This comparable represents a multi-unit garden apartment complex at 2150 42nd Street in Kenner, Louisiana. Of a total 72 units, 24 are one bedroom, 12 are one bedrooms with attached garages, 24 are two bedroom, and 12 are two bedrooms with attached garages. The entire complex is 80,980 SF, situated on 2.927 acres. Constructed in 2001, the buildings are each two stories and in average condition. Their exteriors are finished with fiber cement board and of Class D construction. Amenities include a swimming pool, grilling area, gazebos, detached garages, and controlled access gates. Water and sewer surcharges are $27.00 for one bedroom apartments and $32.00 for two bedroom apartments. There are no rental concessions being offered at this time.

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MARKET DATA
MULTI-FAMILY

Comparable	Residential - Multi-unit Garden	No. 7

Property Name	Windsong
Address	1400 W. Esplanade Ave. Kenner, LA 70065 United States
Government Tax Agency	Jefferson
Govt./Tax ID	920022347

Unit Mix Detail

Rate Timeframe N/A

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	96	17%	353-378	$515-$525	$1.42
1BD	252	46%	720-736	$630-$670	$0.89
2BD	202	37%	840-1,250	$800-$1,120	$0.92
Totals/Avg	550			$741	$0.95

Improvements

Land Area	0.000 ac	Status	Existing
Net Rentable Area (NRA)	427,666 sf	Year Built	1978
Total # of Units	550 Unit	Year Renovated	N/A
Average Unit Size	778 sf	Condition	Good
Floor Count	3	Exterior Finish	Wood
General Amenities	N/A		
Unit-Specific Amenities	N/A		

Rental Survey

Occupancy	N/A	Utilities Included in Rent	N/A
Lease Term	N/A	Rent Premiums	N/A
Tenant Profile	N/A	Concessions	N/A
Survey Date	11/2017	Owner	N/A
Survey Notes	N/A	Management	Tonti Management

Map & Comments

This comparable represents a 427,666 SF multi-unit apartment complex, located at 1400 West Esplanade Avenue in Kenner, Louisiana. It is comprised of 550 units: 96 studio apartments, 252 one bedrooms, and 202 two bedrooms. While studios only have one type, one bedrooms vary between flat, circular flat, and townhome layouts, and two bedrooms between flat, beehive, townhome, and circular flat layouts. Townhomes are the most expensive variety of apartments at Windsong. Complex amenities include five pools, laundry facilities, tennis courts, water fountains, and ponds. Unit-specific amenities include intrusion alarms, fireplaces, cathedral ceilings, refrigerators, ovens, dishwashers, washing machines, dryers, ceiling fans, cable connections, patios, and balconies. Windsong also offers furnished "corporate" apartments, regular exterminating, and 24-hour emergency maintenance. Water and sewer charges for studio, one bedroom, and two bedroom apartments are $23.00, $25.00, and $30.00, respectively. There are no concessions being offered at this time.

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MARKET DATA
MULTI-FAMILY CONSTRUCTION COSTS

CONSTRUCTION COSTS					
Comparable:	1	2	3	Average	Subject
Name:	Confidential	Confidential	Confidential		
Property Type	Multi-family Mid/High Rise	Luxury Condominiums	Multi-famly Mid/High Rise		Multi-family Mid/High Rise
Year of Cost Data	2017	2016	2017		2018
Cost Data Based Upon...	Budget	Budget	Budget		Budget
Size (SF):	297,109	320,490	154,376	257,325	102,488
Cost Component					
Direct Cost	$43,200,386	$47,045,804	$23,095,724	$37,780,638	$20,257,738
Indirect Cost	$13,209,174	$17,923,311	$9,439,564	$13,524,016	$936,125
Total Direct, Indirect & Lease-up	$56,409,560	$64,969,115	$32,535,288	$51,304,654	$21,193,863
Cost Adjustment	$0	$0	$0	$0	$0
Total Adjusted Costs	$56,409,560	$64,969,115	$32,535,288	$51,304,654	$21,193,863
Rounded				$51,305,000	$21,194,000
Cost Per SF	$189.86	$202.72	$210.75	$201.11	$206.79

Compiled by CBRE

It is noted that comparables 1 and 3 are proposed mid/high rise developments within the Warehouse District of New Orleans. Comparable 2 is from Houston but this is considered to be a good regional indicator for the subject. The subject's budgeted cost figure falls within the range presented by these cost comparables.

MARKET DATA
GREATER NEW ORLEANS

Tourism is the largest employer in the area and the second largest industry in Louisiana. Tourism accounts for 35% of the City of New Orleans annual operating budget paying for jobs, safety, and transit. In 2016, the New Orleans tourism industry continued to grow, as the city welcomed more visitors than the previous year. Nearly 10.5 million visitors came to the New Orleans area in 2016, representing a 7.36% increase over the 9.78 million visitors who came in 2015. Spending estimates in the local area, including gambling, were $7.4 billion, an increase of nearly 5% from 2015 expenditure figures, according to an annual study by the University of New Orleans.

The City of New Orleans is undertaking an unprecedented level of capital improvement, street and landscape enhancement projects to rebuild New Orleans to pre-storm conditions, returning it to its status as one of the nation's most vibrant and thriving communities. The streetcar lines began to re-open within the CBD during 2008. New lines have been added along Canal Street and more recently along Loyola Avenue and North Rampart Street, connecting the CBD with the Marigny neighborhood. The Rampart line opened for passengers in July 2016.

After nearly 15 years of failed attempts to revitalize the former World Trade Center building at the foot of Canal Street, a development group is now set to move forward on a new project to transform the iconic X-shaped skyscraper into a Four Seasons hotel and luxury condominium residences. A team that includes Massachusetts-based Carpenter & Company and local contractor Woodward Design+Build came to terms with the City Council last May on a 99-year lease granting them control of the site at 2 Canal St. The lease signing was the culmination of a nearly two-year-long process to select a developer for the project. Despite the blessing of the council and Mayor Mitch Landrieu, the project is currently mired in a legal battle stemming from a lawsuit from one of the losing bidders on the project. However, it has recently been announced that the lawsuit has been dismissed by the presiding judge in court. Carpenter-Woodward's $364 million proposal for the building includes a 350-room Four Seasons Hotel on floors seven through 19, 76 hotel-serviced residences ranging from 1,400 to 4,000 square feet on floors 21-30, two restaurants, new urban green spaces, a public observation deck and a New Orleans history and cultural attraction.

Adjacent to the UMC is the 1.7 million-square-foot Southeast Louisiana Veterans Health Care System Veterans Medical Center (VA Hospital), which is partially open as of August 2017 and is continuing in open in phases. Originally projected to cost $625 million, the project has actually cost the US government approximately $1 billion to construct. The entire facility is scheduled to be completed in 2018 and will employ a total of 2,800 people, including about 220 doctors and 172 positions for medical students and residents. The revitalization of the New Orleans healthcare corridor centers around Canal Street and is a major driver of economic development in the subject's direct vicinity.

The Ernest N. Morial Convention Center is looking to build what amounts to a new riverfront neighborhood on a roughly 47-acre tract of land upriver from the facility. The property had previously been pegged for additional exhibition space for the center, but plans were shelved following Hurricane Katrina. The plan, announced in 2014, includes investment of $150 million to improve infrastructure in an effort to attract private developers who would spend as much as $700 million on assorted amenities, including a hotel, residences and new retail. Facility officials are working with a joint team that includes Howard Hughes Corp. and local developers Darryl Berger and Joe Jaeger. The first step in the overarching plan was executed last May, when the convention center's governing board approved a resolution to begin construction of a $65 million linear park along Convention Center Boulevard from Poydras to Henderson Streets.

The Domain Cos. is currently constructing the fourth building in its $450 million South Market District mixed-use development off the Loyola Avenue streetcar line. The first phase is known as The Paramount at South Market, a five-story apartment, restaurant and retail building that opened in 2014. The $48.4 million Paramount occupies a full block bordered by Girod, Rampart, Lafayette and O'Keefe streets with 209 apartments and 22,000 square feet of retail space, including sidewalk cafes and units that allow small business owners to live above their shops. The second building, known as the Park, was also opened in 2014. The Park is composed of a 435-space public parking garage, a 2,200-square-foot public plaza and more than 30,000 square feet of retail space. The third building in the development is known as the Beacon, a seven-story, 126,790-square-foot building that opened in 2015. The Beacon includes 126 one and two-bedroom apartments and 18,912 square feet of retail space on the ground level. The fourth, and most recent addition to the residential component of South Market is The Standard, a high-rise condominium development consisting of 90 large, one- to three-bedroom condominiums. Sales for the condominiums have begun and the property is planning to open for residency in spring 2018 as it is currently under construction.

MARKET DATA
GREATER NEW ORLEANS

A real estate development partnership with ties to Missouri billionaire sports mogul Stan Kroenke has started construction of Canal Crossing, a 330-unit apartment project with ground floor retail. The lot occupies an entire city block bounded by Canal, North Robertson, Iberville and North Villere Streets. It's situated across from the vacant Jung Hotel, where a $130 million renovation is underway, and the former University of New Orleans tower, which will be converted to a dual hotel. According to plans filed with the city, Provident and Kroenke Group are partnering in a development that will include a 400,000-square-foot, nine-story residential building with ground floor commercial space reserved for tenant use. The project also includes a 10-story, 187,000-square-foot, 500-space parking garage. The roof of the garage would feature a small pet park and the apartment units would be built around a 10,000-square-foot courtyard. The local health care industry welcomed the $1.1 billion, 2.3 million-square-foot University Medical Center (UMC) as it opened in August 2015. The 446-bed Mid-City hospital has 60 behavioral health beds, 19 operation rooms, 277 exam rooms, nine acute treatment rooms and five trauma rooms. It was designed by NBBJ Architecture. LCMC Health, which manages UMC, expects to eventually hire a total of around 2,000 employees, including 600 physicians.

Lastly, the developers have announced that they are moving forward with a 29-story, $100 million apartment tower at Girod and South Rampart. Details have not been released at this point but this structure will mark the tallest ground up construction in the CBD since 930 Poydras (21 stories) was constructed in 2010. The entire South Market project, which will ultimately include 1,000 new apartments and 200,000 square feet of retail, a 40,000 square foot full-service gourmet grocer and 1,300 garage parking spaces is taking advantage of a 12-year payment in lieu of taxes plan the city's Industrial Development Board approved. The project is also benefiting from the Louisiana Enterprise Zone program for mixed-use, transit-oriented developments.

CONCLUSION

The area-wide impact from Hurricane Katrina and the resulting relocation of part of the city of New Orleans' population has caused a permanent shift in the projected growth trend. New Orleans has received support from the United States government, U.S. Corporations, philanthropic groups and individuals to re-build. The city has made great strides in recovering its tourism with strong year over year improvement in visitor counts and hotel occupancies. The City is forecast to experience healthy population gains over the next five years as the rebuilding efforts continue. This positive growth trend with gradual improvement is expected to positively benefit existing properties in the area and generate the demand for new development. Therefore, the outlook for the Greater New Orleans is for continued growth with good improvement over the next several years.

DEMOGRAPHIC INFORMATION

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DEMOGRAPHIC COMPREHENSIVE

4545 Williams Blvd

PLACE OF WORK	1 Mile		3 Miles		5 Miles	
2017 Businesses	284		2,480		6,023	
2017 Employees	3,128		24,530		65,670	
POPULATION						
2017 Population - Current Year Estimate	12,775		80,800		154,724	
2022 Population - Five Year Projection	12,763		81,180		155,613	
2010 Population - Census	12,883		80,666		153,940	
2000 Population - Census	12,863		84,497		163,457	
2010-2017 Annual Population Growth Rate	-0.12%		0.02%		0.07%	
2017-2022 Annual Population Growth Rate	-0.02%		0.09%		0.11%	
AGE						
2017 Population	**12,775**		**80,800**		**154,724**	
Age 0-4	740	5.8%	4,844	6.0%	9,154	5.9%
Age 5-9	739	5.8%	4,893	6.1%	9,155	5.9%
Age 10-14	734	5.7%	4,841	6.0%	8,901	5.8%
Age 15-19	728	5.7%	4,498	5.6%	8,190	5.3%
Age 20-24	858	6.7%	4,650	5.8%	9,158	5.9%
Age 25-29	1,012	7.9%	5,732	7.1%	11,266	7.3%
Age 30-34	960	7.5%	5,953	7.4%	11,526	7.4%
Age 35-39	911	7.1%	5,431	6.7%	10,419	6.7%
Age 40-44	792	6.2%	4,701	5.8%	9,082	5.9%
Age 45-49	776	6.1%	4,767	5.9%	9,101	5.9%
Age 50-54	850	6.7%	5,288	6.5%	10,053	6.5%
Age 55-59	909	7.1%	5,780	7.2%	10,836	7.0%
Age 60-64	867	6.8%	5,465	6.8%	10,213	6.6%
Age 65-69	763	6.0%	4,850	6.0%	9,129	5.9%
Age 70-74	479	3.7%	3,507	4.3%	6,881	4.4%
Age 75-79	286	2.2%	2,315	2.9%	4,667	3.0%
Age 80-84	174	1.4%	1,595	2.0%	3,325	2.1%
Age 85 and Older	197	1.5%	1,692	2.1%	3,668	2.4%
2017 Median Age	38.4		39.6		39.8	
RACE AND ETHNICITY						
2017 Population	**12,775**		**80,800**		**154,724**	
White	8,422	65.9%	53,719	66.5%	103,543	66.9%
Black or African American	2,185	17.1%	14,135	17.5%	28,746	18.6%
Asian	688	5.4%	3,748	4.6%	6,241	4.0%
American Indian or Alaska Native	44	0.3%	275	0.3%	560	0.4%
Pacific Islander	4	0.0%	36	0.0%	79	0.1%
Other Race	1,011	7.9%	6,448	8.0%	11,139	7.2%
Two or More Races	422	3.3%	2,439	3.0%	4,415	2.9%
Hispanic	3,228	25.3%	19,859	24.6%	33,131	21.4%
White Non-Hispanic	6,483	50.7%	41,983	52.0%	84,336	54.5%

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DEMOGRAPHIC COMPREHENSIVE

4545 Williams Blvd

EDUCATION	1 Mile		3 Miles		5 Miles	
2017 Population 25 and Over	**8,975**		**57,074**		**110,167**	
Less than 9th Grade	216	2.4%	2,269	4.0%	5,183	4.7%
9-12th Grade - No Diploma	559	6.2%	3,842	6.7%	7,826	7.1%
High School Diploma	2,233	24.9%	15,049	26.4%	28,113	25.5%
GED or Alternative Credential	243	2.7%	2,094	3.7%	4,192	3.8%
Some College - No Degree	2,314	25.8%	12,822	22.5%	25,324	23.0%
Associate`s Degree	604	6.7%	3,922	6.9%	7,388	6.7%
Bachelor`s Degree	2,092	23.3%	11,685	20.5%	21,738	19.7%
Graduate or Professional Degree	714	8.0%	5,391	9.4%	10,403	9.4%
HOUSEHOLDS						
2017 Households - Current Year Estimate	5,177		30,775		61,271	
2022 Households - Five Year Projection	5,195		31,032		61,846	
2010 Households - Census	5,178		30,479		60,531	
2000 Households - Census	4,988		31,319		63,754	
2010-2017 Annual Household Growth Rate	0.00%		0.13%		0.17%	
2017-2022 Annual Household Growth Rate	0.07%		0.17%		0.19%	
2017 Average Household Size	2.46		2.61		2.51	
HOUSEHOLD INCOME						
2017 Households	**5,177**		**30,775**		**61,271**	
Under $15,000	507	9.8%	3,246	10.5%	7,124	11.6%
$15,000-$24,999	567	11.0%	3,222	10.5%	6,721	11.0%
$25,000-$34,999	537	10.4%	3,148	10.2%	6,610	10.8%
$35,000-$49,999	683	13.2%	3,913	12.7%	8,249	13.5%
$50,000-$74,999	959	18.5%	5,295	17.2%	10,447	17.1%
$75,000-$99,999	651	12.6%	4,026	13.1%	7,675	12.5%
$100,000-$149,999	654	12.6%	4,087	13.3%	7,997	13.1%
$150,000-$199,999	314	6.1%	1,994	6.5%	3,385	5.5%
$200,000 and Over	304	5.9%	1,844	6.0%	3,063	5.0%
2017 Average Household Income	$79,045		$80,577		$76,133	
2022 Average Household Income	$88,057		$89,408		$84,619	
2017 Median Household Income	$55,693		$56,717		$53,309	
2022 Median Household Income	$61,594		$62,524		$58,478	
2017 Per Capita Income	$32,018		$30,863		$30,332	
2022 Per Capita Income	$35,812		$34,341		$33,814	

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DEMOGRAPHIC COMPREHENSIVE

4545 Williams Blvd

TRAVEL TIME	1 Mile		3 Miles		5 Miles	
2011-2015 Work Away From Home 16+	**6,751**		**38,697**		**74,462**	
Under 5 Minutes	89	1.3%	650	1.7%	1,568	2.1%
5-9 Minutes	481	7.1%	2,741	7.1%	5,963	8.0%
10-14 Minutes	920	13.6%	5,117	13.2%	10,181	13.7%
15-19 Minutes	1,206	17.9%	7,081	18.3%	14,306	19.2%
20-24 Minutes	1,158	17.2%	7,430	19.2%	13,959	18.8%
25-29 Minutes	367	5.4%	2,371	6.1%	4,883	6.6%
30-34 Minutes	1,217	18.0%	6,694	17.3%	12,860	17.3%
35-39 Minutes	246	3.6%	1,178	3.0%	1,862	2.5%
40-44 Minutes	349	5.2%	1,188	3.1%	1,901	2.6%
45-59 Minutes	385	5.7%	2,546	6.6%	3,875	5.2%
60-89 Minutes	181	2.7%	1,100	2.8%	1,988	2.7%
Over 90 Minutes	151	2.2%	602	1.6%	1,116	1.5%
HOUSING VALUE						
2017 Owner Occupied Housing Units	**2,496**		**18,777**		**35,901**	
Under $50,000	22	0.9%	283	1.5%	675	1.9%
$50,000-$99,999	75	3.0%	859	4.6%	1,814	5.1%
$100,000-$149,999	279	11.2%	2,296	12.2%	4,578	12.8%
$150,000-$199,999	481	19.3%	5,029	26.8%	9,847	27.4%
$200,000-$249,999	530	21.2%	3,881	20.7%	7,707	21.5%
$250,000-$299,999	356	14.3%	2,418	12.9%	4,394	12.2%
$300,000-$399,999	356	14.3%	2,172	11.6%	3,664	10.2%
$400,000-$499,999	175	7.0%	810	4.3%	1,414	3.9%
$500,000-$749,999	160	6.4%	746	4.0%	1,195	3.3%
$750,000-$999,999	46	1.8%	180	1.0%	429	1.2%
$1,000,000 and Over	17	0.7%	104	0.6%	185	0.5%
2017 Median Value of Owner Occ. Housing Units	$236,934		$211,878		$206,728	
2017 Average Value of Owner Occ. Housing Units	$283,230		$247,907		$241,296	
HOUSING UNITS						
2011-2015 Housing Units	**6,068**		**34,729**		**67,681**	
1 Unit -Detached	2,582	42.6%	20,713	59.6%	40,959	60.5%
1 Unit -Attached	194	3.2%	1,164	3.4%	2,115	3.1%
2 Units	122	2.0%	1,248	3.6%	2,427	3.6%
3-4 Units	904	14.9%	3,517	10.1%	6,582	9.7%
5-9 Units	266	4.4%	1,380	4.0%	2,288	3.4%
10-19 Units	611	10.1%	2,759	7.9%	4,741	7.0%
20-49 Units	1,080	17.8%	2,505	7.2%	4,760	7.0%
50 and Over	307	5.1%	1,359	3.9%	3,041	4.5%
Mobile Home	1	0.0%	84	0.2%	754	1.1%
Other Units	0	0.0%	0	0.0%	15	0.0%

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DEMOGRAPHIC COMPREHENSIVE

4545 Williams Blvd

HISPANIC ORIGIN	1 Mile		3 Miles		5 Miles	
2017 Hispanic Population	**3,228**		**19,859**		**33,131**	
Hispanic: White	1,939	60.1%	11,736	59.1%	19,207	58.0%
Hispanic: Black or African American	81	2.5%	503	2.5%	808	2.4%
Hispanic: Asian	22	0.7%	119	0.6%	235	0.7%
Hispanic: American Indian or Alaska Native	6	0.2%	34	0.2%	52	0.2%
Hispanic: Pacific Islander	4	0.1%	10	0.1%	23	0.1%
Hispanic: Other Race	952	29.5%	6,180	31.1%	10,670	32.2%
Hispanic: Two or More Races	224	6.9%	1,277	6.4%	2,137	6.5%
GENDER						
2017 Population	**12,775**		**80,800**		**154,724**	
Males	6,264	49.0%	39,518	48.9%	75,823	49.0%
Females	6,512	51.0%	41,283	51.1%	78,901	51.0%
MARITAL STATUS						
2017 Population 15+	**10,562**		**66,223**		**127,513**	
Never Married	3,405	32.2%	23,007	34.7%	45,789	35.9%
Married	5,241	49.6%	31,043	46.9%	58,184	45.6%
Widowed	739	7.0%	4,610	7.0%	9,027	7.1%
Divorced	1,177	11.1%	7,563	11.4%	14,513	11.4%
EMPLOYMENT STATUS						
2017 Civilian Population 16+ In Labor Force	**7,287**		**43,110**		**82,424**	
2017 Employed Civilian Population 16+	7,066	97.0%	40,707	94.4%	77,812	94.4%
2017 Unemployed Population 16+	220	3.0%	2,402	5.6%	4,612	5.6%
CLASS OF WORKER						
2017 Employed Civilian Population 16+	**7,066**		**40,707**		**77,812**	
White Collar	4,351	61.6%	23,596	58.0%	45,076	57.9%
Services	1,201	17.0%	8,272	20.3%	16,143	20.7%
Blue Collar	1,516	21.5%	8,839	21.7%	16,595	21.3%
DAYTIME POPULATION						
2017 Daytime Population	**8,471**		**62,465**		**136,224**	
Daytime Workers	2,629	31.0%	21,546	34.5%	57,884	42.5%
Daytime Residents	5,842	69.0%	40,919	65.5%	78,340	57.5%

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OCCUPATION	1 Mile		3 Miles		5 Miles	
2017 Employed Civilian Population 16+	**7,066**		**40,707**		**77,812**	
Management	619	8.8%	3,473	8.5%	6,582	8.5%
Business and Financial	386	5.5%	2,248	5.5%	4,020	5.2%
Computer and Mathematical	130	1.8%	494	1.2%	1,127	1.4%
Architecture and Engineering	209	3.0%	1,034	2.5%	1,586	2.0%
Life, Physical and Social Science	41	0.6%	208	0.5%	522	0.7%
Community and Social Service	56	0.8%	378	0.9%	806	1.0%
Legal	88	1.2%	544	1.3%	1,122	1.4%
Education, Training and Library	407	5.8%	1,954	4.8%	3,940	5.1%
Arts, Design and Entertainment, Sports and Media	178	2.5%	656	1.6%	1,360	1.7%
Healthcare Practitioner and Technical	376	5.3%	2,442	6.0%	4,387	5.6%
Healthcare Support	125	1.8%	685	1.7%	1,132	1.5%
Protective Service	186	2.6%	795	2.0%	1,607	2.1%
Food Preparation and Serving Related	376	5.3%	3,287	8.1%	6,701	8.6%
Building and Grounds Cleaning and Maintenance	177	2.5%	1,787	4.4%	3,628	4.7%
Personal Care and Service	337	4.8%	1,718	4.2%	3,075	4.0%
Sales and Related	851	12.0%	5,046	12.4%	9,615	12.4%
Office and Administrative Support	1,010	14.3%	5,119	12.6%	10,009	12.9%
Farming and Fishing and Forestry	0	0.0%	19	0.0%	52	0.1%
Construction and Extraction	664	9.4%	3,648	9.0%	6,422	8.3%
Installation, Maintenance and Repair	179	2.5%	1,607	3.9%	3,140	4.0%
Production	221	3.1%	1,178	2.9%	2,389	3.1%
Transportation and Material Moving	452	6.4%	2,387	5.9%	4,592	5.9%

COMMUTE	1 Mile		3 Miles		5 Miles	
2011-2015 Workers 16 and Older	**6,830**		**39,852**		**76,671**	
Drove Alone	5,731	83.9%	31,948	80.2%	61,456	80.2%
Carpooled	813	11.9%	4,966	12.5%	9,015	11.8%
Bus	0	0.0%	365	0.9%	735	1.0%
Streetcar	0	0.0%	24	0.1%	24	0.0%
Subway	0	0.0%	0	0.0%	0	0.0%
Railroad	0	0.0%	9	0.0%	9	0.0%
Ferryboat	0	0.0%	0	0.0%	8	0.0%
Taxicab	34	0.5%	142	0.4%	211	0.3%
Motorcycle	8	0.1%	41	0.1%	73	0.1%
Bicycle	14	0.2%	124	0.3%	408	0.5%
Walked	152	2.2%	816	2.1%	1,489	1.9%
Other Means	0	0.0%	261	0.7%	1,035	1.4%
Work at Home	79	1.2%	1,155	2.9%	2,209	2.9%

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INDUSTRY	1 Mile		3 Miles		5 Miles	
2017 Employed Civilian Population 16+	**7,066**		**40,707**		**77,812**	
Agriculture, Forestry, Fishing, and Hunting	0	0.0%	18	0.0%	71	0.1%
Mining, Quarrying, and Oil and Gas Extraction	45	0.6%	262	0.6%	420	0.5%
Construction	811	11.5%	4,772	11.7%	8,702	11.2%
Manufacturing	547	7.7%	2,149	5.3%	4,047	5.2%
Wholesale Trade	179	2.5%	1,375	3.4%	2,405	3.1%
Retail Trade	944	13.4%	5,015	12.3%	9,362	12.0%
Transportation and Warehousing	382	5.4%	1,852	4.5%	3,631	4.7%
Utilities	23	0.3%	269	0.7%	607	0.8%
Information	60	0.8%	437	1.1%	1,149	1.5%
Finance and Insurance	317	4.5%	1,889	4.6%	3,369	4.3%
Real Estate and Rental and Leasing	166	2.3%	1,032	2.5%	1,926	2.5%
Professional, Scientific, and Technical Services	364	5.2%	2,751	6.8%	5,412	7.0%
Management of Companies and Enterprises	10	0.1%	19	0.0%	47	0.1%
Admin. and Support and Waste Mgmt. Services	185	2.6%	1,546	3.8%	3,460	4.4%
Educational Services	488	6.9%	2,849	7.0%	6,106	7.8%
Health Care and Social Assistance	939	13.3%	5,135	12.6%	9,094	11.7%
Arts, Entertainment and Recreation	237	3.4%	1,027	2.5%	1,911	2.5%
Accommodation and Food Services	627	8.9%	4,460	11.0%	8,765	11.3%
Other Services, Except Public Administration	443	6.3%	2,315	5.7%	4,338	5.6%
Public Administration	297	4.2%	1,536	3.8%	2,993	3.8%

VEHICLES	1 Mile		3 Miles		5 Miles	
2011-2015 Households	**5,485**		**30,648**		**60,564**	
No Vehicles	446	8.1%	2,030	6.6%	4,390	7.2%
1 Vehicles	2,035	37.1%	10,817	35.3%	23,418	38.7%
2 Vehicles	2,162	39.4%	12,780	41.7%	23,537	38.9%
3 Vehicles	534	9.7%	3,700	12.1%	6,882	11.4%
4 Vehicles	210	3.8%	899	2.9%	1,660	2.7%
Over 5 Vehicles	98	1.8%	424	1.4%	678	1.1%

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YEAR BUILT	1 Mile		3 Miles		5 Miles	
2011-2015 Housing Units	**6,068**		**34,729**		**67,681**	
Built Later than 2010	0	0.0%	46	0.1%	201	0.3%
Built 2000-2009	388	6.4%	1,565	4.5%	2,693	4.0%
Built 1990-1999	745	12.3%	3,268	9.4%	4,905	7.3%
Built 1980-1989	2,052	33.8%	7,873	22.7%	12,771	18.9%
Built 1970-1979	2,241	36.9%	13,011	37.5%	23,710	35.0%
Built 1960-1969	346	5.7%	6,155	17.7%	13,708	20.3%
Built 1950-1959	154	2.5%	2,141	6.2%	7,377	10.9%
Built 1940-1949	129	2.1%	457	1.3%	1,510	2.2%
Built Before 1939	12	0.2%	214	0.6%	806	1.2%
2011-2015 Median Year Built	1981		1976		1974	
HOUSING UNITS						
2017 Housing Units	**6,053**		**34,418**		**67,608**	
2017 Vacant Housing Units	876	14.5%	3,643	10.6%	6,337	9.4%
2017 Occupied Housing Units	5,177	85.5%	30,775	89.4%	61,271	90.6%
2017 Owner Occupied Housing Units	2,496	41.2%	18,777	54.6%	35,902	53.1%
2017 Renter Occupied Housing Units	2,681	44.3%	11,998	34.9%	25,369	37.5%
HOUSEHOLD SIZE						
2010 Households	**5,178**		**30,479**		**60,531**	
1 Person Household	1,531	29.6%	7,643	25.1%	16,520	27.3%
2 Person Household	1,599	30.9%	9,548	31.3%	19,389	32.0%
3 Person Household	867	16.7%	5,480	18.0%	10,580	17.5%
4 Person Household	665	12.8%	4,361	14.3%	8,029	13.3%
5 Person Household	324	6.3%	2,059	6.8%	3,692	6.1%
6 Person Household	117	2.3%	836	2.7%	1,415	2.3%
7 or More Person Household	75	1.4%	551	1.8%	906	1.5%
2010 Average Household Size	2.48		2.63		2.53	
2017 Average Household Size	2.46		2.61		2.51	
LANGUAGE						
2011-2015 Pop. 5+ by Language Spoken at Home	**12,813**		**76,577**		**146,358**	
Only English	9,272	72.4%	56,448	73.7%	112,801	77.1%
Spanish	2,270	17.7%	14,581	19.0%	23,889	16.3%
Other Indo-European Language	513	4.0%	2,501	3.3%	4,113	2.8%
Asian-Pacific Island Language	488	3.8%	2,012	2.6%	3,418	2.3%
Other Language	271	2.1%	1,035	1.4%	2,136	1.5%

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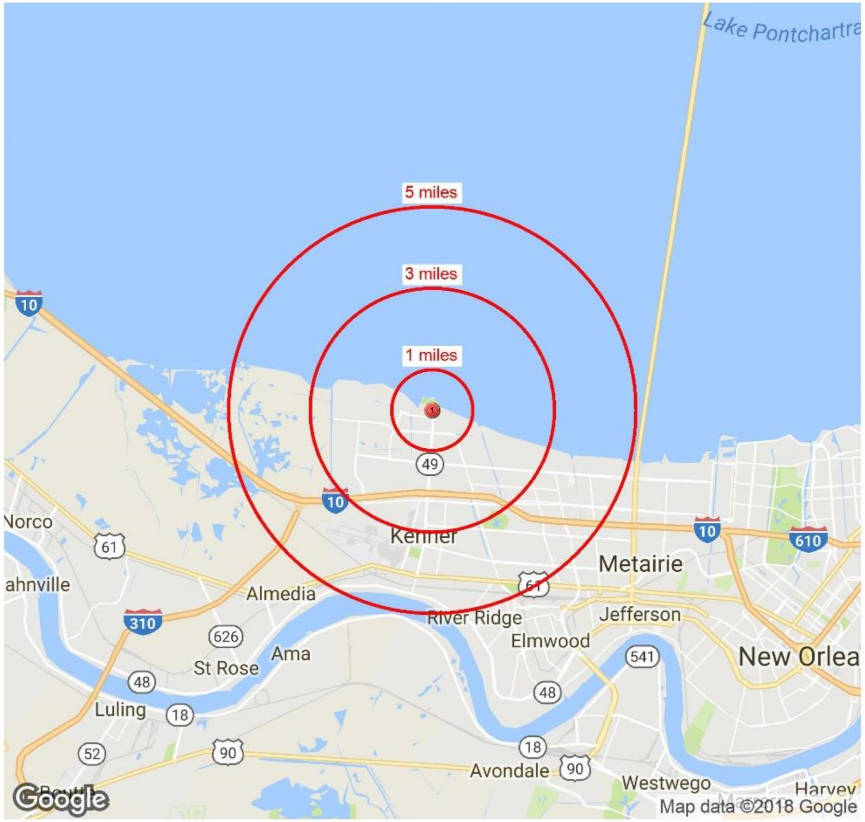

Name	Latitude	Longitude
1 4545 Williams Blvd	30.0384306554624	-90.237912633009

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HOTEL REPORT – REGIONAL – SUMMER 2017

CBRE

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NEW ORLEANS

REGIONAL ECONOMIC SUMMARY

"Sixth District business contacts indicated that economic conditions improved modestly from the previous report. The majority of contacts remain optimistic in their outlook for growth over the next three to six months. The labor market remained tight and wage growth remained stable. Firms characterized non-labor input costs as steady. Retail sales softened since the previous report. Manufacturers cited solid increases in new orders and production.

On balance, reports from tourism and hospitality contacts across the District were cautiously optimistic. Contacts in Georgia, Louisiana, and Tennessee reported strong tourism activity since the last report; while some areas of Florida reported a slight decrease in the number of international visitors during the same time period. With the exception of South Florida, hotel occupancy and revenue per available room were up year-over-year. Leisure and hospitality contacts shared that they are exploring automation options for housekeeping and food preparation services. The outlook among most contacts for the second quarter of the year remains upbeat.

Most commercial real estate contacts noted improvements in demand that continued to result in rent growth and increased absorption, but cautioned that the rate of improvement varies by metropolitan area, submarket, and property type"

Federal Reserve Bank Beige Book, April 19, 2017

New Orleans: Next 4 Quarters

The arrows show the forecast direction of change over the next 4 quarters vs. the previous 4 quarters. Green indicates the change will be above the long run average, yellow indicates it will be the same, and orange indicates it will be below.

Occupancy

Occupancy will decrease to 68.2%, a decline over the past 4 quarters' rate of 69.5%, but above the long run average of 66.5%

Average Daily Rate

ADR growth expectations are increasing, 1.8% vs. the past 4 quarters' rate of 1.3%, but are below the long run average of 3.1%

Revenue Per Available Room

RevPAR change projections are falling to negative 0.2% as compared to the past 4 quarters' rate of positive 2.7%, and are lower than the long run average of positive 3.7%

Supply (orange indicates above long-term average)

Supply growth is climbing, 3.8% vs. the past 4 quarters' rate of 2.9%, and greater than the long run average of 1.5%

Demand

Forecast demand growth is falling, 1.8% vs. the past 4 quarters' rate of 4.3%, and is below the long run average of 1.9%

Source: CBRE Hotels' Americas Research, Q1 2017

HOTEL MARKET SUMMARY

By year-end 2017, New Orleans hotels are forecast to see a RevPAR increase of 1.7%. This is the result of an estimated decline in occupancy of 0.5% and a 2.2% gain in average daily room rates (ADR). The 1.7% advance in New Orleans RevPAR is less than the national projection of a 3.0% increase.

Leading the way in 2017 RevPAR growth is the upper-priced segment of New Orleans. The properties in this category are forecast to attain a 2.6% gain in ADR, but suffer a 0.4% decrease in occupancy, resulting in a 2.2% RevPAR increase. Lower-priced hotels are projected to experience an ADR growth rate of 1.7%, along with a 0.5% loss in occupancy, resulting in a 1.2% RevPAR increase.

Looking towards 2018, New Orleans RevPAR is expected to grow 1.9%. This is better than the rate of growth in 2017. Unlike 2017, prospects for RevPAR growth in the lower-priced segment (positive 2.0%) are better than in the upper-priced segment (positive 1.8%). New Orleans market occupancy levels are expected to range from 68.3% to 69.1% during the 5-year forecast period.

New Orleans Forecast Summary

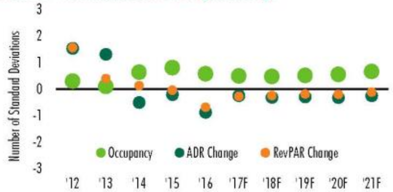
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	67.7%	5.7%	$132.89	8.4%	$89.91	14.6%
2013	66.9%	-1.1%	$143.03	7.6%	$95.68	6.4%
2014	69.0%	3.1%	$144.97	1.4%	$99.99	4.5%
2015	69.6%	0.9%	$148.43	2.4%	$103.32	3.3%
2016	68.7%	-1.3%	$148.53	0.1%	$102.09	-1.2%
2017F	68.4%	-0.5%	$151.85	2.2%	$103.87	1.7%
2018F	68.3%	-0.1%	$154.91	2.0%	$105.84	1.9%
2019F	68.5%	0.2%	$158.13	2.1%	$108.31	2.3%
2020F	68.6%	0.2%	$161.29	2.0%	$110.73	2.2%
2021F	69.1%	0.6%	$164.87	2.2%	$113.87	2.8%

Source: CBRE Hotels' Americas Research, STR, Q1 2017

Long Run Averages 1988 to 2016

Occupancy: 66.5%, ADR Change: 3.1%, RevPAR Change: 3.7%

EXHIBIT 1**: Performance Grade vs. Long Run Average



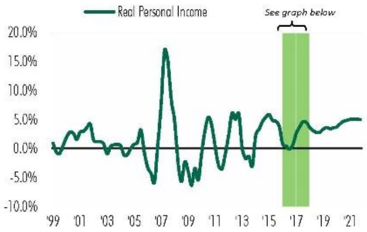
Source: CBRE Hotels' Americas Research, STR, Q1 2017

**See Appendix for exhibit descriptions

New Orleans Economic Summary

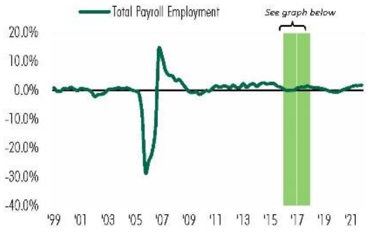
Below are a select number of variables that drive the CBRE Hotels | Americas Research econometric forecasts contained in this report. Income and employment are important barometers of economic health and are used in every *Hotel Horizons®* forecast model. The lodging market is part of the larger economy, and the forces that affect us nationally also affect lodging, but in different magnitudes and time periods (see Exhibits 4 and 5 below). Exhibits 2 - 6 provide an overview of current economic history and forecast, and provide explanation of what to expect in the future, and how that affects the lodging industry.

Exhibit 2*: Income Change



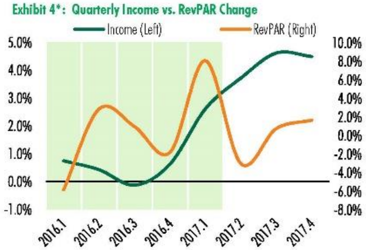
Source: CBRE EA, Q1 2017

Exhibit 3*: Employment Change



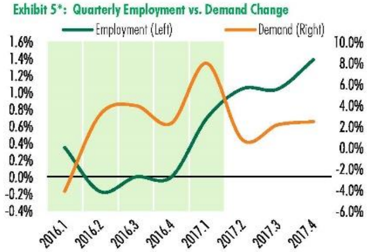
Source: CBRE EA, Q1 2017

Exhibit 4*: Quarterly Income vs. RevPAR Change



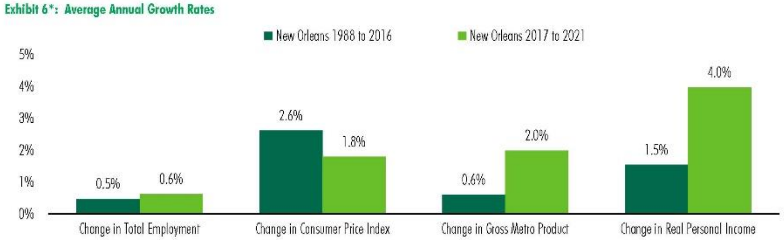
Source: CBRE EA, CBRE Hotels, STR, Q1 2017

Exhibit 5*: Quarterly Employment vs. Demand Change



Source: CBRE EA, CBRE Hotels, STR, Q1 2017

Exhibit 6*: Average Annual Growth Rates



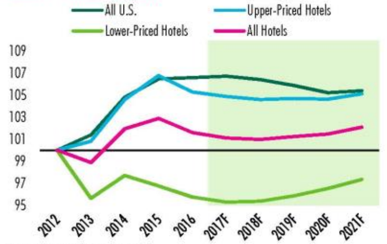
Source: CBRE EA, Moody's Analytics, Q1 2017

*See Appendix for exhibit descriptions

New Orleans Hotel Summary

The graphs on the left illustrate the magnitude of change in performance during the historical and forecasted period 2012 to 2021. Used as a relative benchmark, each market segment is plotted against a common index value of 2012 = 100. This method provides clear insight of how each market segment performed and is expected to perform in relation to others in the specified period. The charts on the right compare near-term historical compound annual growth rates (CAGR) to the CAGRs for the forecast period.

Exhibit 7*: Occupancy Change

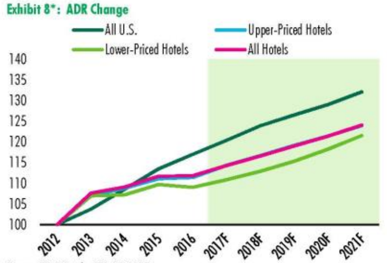


Source: CBRE Hotels, STR, Q1 2017

Exhibit 10*: Compound Average Annual Supply Change

Source: CBRE Hotels, STR, Q1 2017

Exhibit 8*: ADR Change

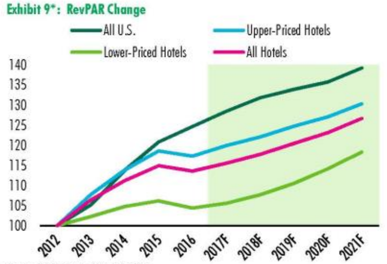


Source: CBRE Hotels, STR, Q1 2017

Exhibit 11*: Compound Average Annual Demand Change

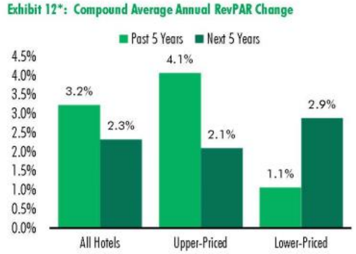
Source: CBRE Hotels, STR, Q1 2017

Exhibit 9*: RevPAR Change



Source: CBRE Hotels, STR, Q1 2017

Exhibit 12*: Compound Average Annual RevPAR Change



Source: CBRE Hotels, STR, Q1 2017

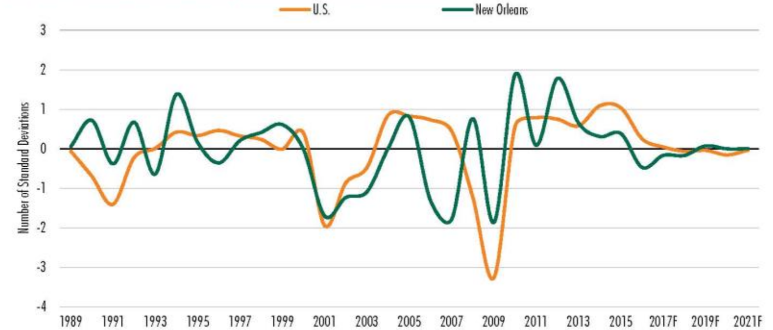
*See Appendix for exhibit descriptions

New Orleans Forecast - All Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2012	Annual	67.7%	5.7%	$132.89	8.4%	$89.91	14.6%	4.0%	9.9%
2013	Annual	66.9%	-1.1%	$143.03	7.6%	$95.68	6.4%	0.8%	-0.3%
2014	1	70.6%	0.1%	$159.59	-0.4%	$112.67	-0.3%	0.5%	0.6%
2014	2	72.9%	2.4%	$144.58	2.4%	$105.43	4.9%	0.8%	3.3%
2014	3	64.3%	9.1%	$123.19	8.1%	$79.22	18.0%	0.7%	9.9%
2014	4	68.0%	1.6%	$150.79	-1.0%	$102.61	0.6%	0.9%	2.5%
2014	Annual	69.0%	3.1%	$144.97	1.4%	$99.99	4.5%	0.7%	3.8%
2015	1	73.6%	4.3%	$158.88	-0.4%	$116.99	3.8%	1.0%	5.3%
2015	2	74.2%	1.8%	$156.66	8.4%	$116.28	10.3%	1.3%	3.2%
2015	3	63.2%	-1.8%	$124.55	1.1%	$78.66	-0.7%	2.0%	0.2%
2015	4	67.5%	-0.9%	$150.48	-0.2%	$101.52	-1.1%	1.7%	0.8%
2015	Annual	69.6%	0.9%	$148.43	2.4%	$103.32	3.3%	1.5%	2.4%
2016	1	69.4%	-5.8%	$158.64	-0.2%	$110.09	-5.9%	1.7%	-4.2%
2016	2	74.8%	0.8%	$159.76	2.0%	$119.55	2.8%	2.3%	3.1%
2016	3	64.0%	1.4%	$123.96	-0.5%	$79.38	0.9%	2.5%	3.9%
2016	4	66.8%	-1.1%	$149.25	-0.8%	$99.62	-1.9%	3.4%	2.3%
2016	Annual	68.7%	-1.3%	$148.53	0.1%	$102.09	-1.2%	2.5%	1.2%
2017	1	72.4%	4.4%	$164.15	3.5%	$118.90	8.0%	3.4%	7.9%
2017F	2	72.6%	-3.0%	$159.60	-0.1%	$115.87	-3.1%	3.8%	0.7%
2017F	3	62.9%	-1.7%	$126.98	2.4%	$79.93	0.7%	3.9%	2.1%
2017F	4	65.8%	-1.5%	$153.88	3.1%	$101.22	1.6%	3.9%	2.4%
2017F	Annual	68.4%	-0.5%	$151.85	2.2%	$103.87	1.7%	3.8%	3.3%
2018F	Annual	68.3%	-0.1%	$154.91	2.0%	$105.84	1.9%	2.2%	2.1%
2019F	Annual	68.5%	0.2%	$158.13	2.1%	$108.31	2.3%	2.0%	2.3%
2020F	Annual	68.6%	0.2%	$161.29	2.0%	$110.73	2.2%	2.2%	2.5%
2021F	Annual	69.1%	0.6%	$164.87	2.2%	$113.87	2.8%	2.3%	2.9%
2017 1Q	Trailing 4 Qtrs	69.5%	1.4%	$150.17	1.3%	$104.39	2.7%	2.9%	4.3%

Source: CBRE Hotels' Americas Research, STR, Q1 2017

Exhibit 13*: New Orleans Standardized Changes in Real RevPAR Movements Over Time



Source: CBRE Hotels' Americas Research, STR, Q1 2017

*See Appendix for exhibit description

CBRE

New Orleans Forecast - Upper-Priced Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2012	Annual	69.9%	2.4%	$157.26	9.0%	$109.87	11.6%	5.8%	8.3%
2013	Annual	70.4%	0.8%	$168.09	6.9%	$118.40	7.8%	1.1%	1.9%
2014	1	74.4%	0.5%	$190.23	1.3%	$141.47	1.8%	0.4%	0.9%
2014	2	76.9%	2.5%	$170.21	2.0%	$130.91	4.5%	0.1%	2.6%
2014	3	68.4%	10.4%	$142.26	9.6%	$97.35	21.0%	-0.7%	9.6%
2014	4	72.6%	2.7%	$179.60	-1.6%	$130.40	1.0%	-0.3%	2.4%
2014	Annual	73.1%	3.8%	$171.15	1.8%	$125.09	5.7%	-0.1%	3.6%
2015	1	77.4%	4.0%	$189.32	-0.5%	$146.45	3.5%	0.3%	4.4%
2015	2	80.3%	4.4%	$184.34	8.3%	$148.03	13.1%	1.0%	5.4%
2015	3	68.5%	0.0%	$142.84	0.4%	$97.78	0.4%	1.6%	1.6%
2015	4	72.3%	-0.4%	$178.35	-0.7%	$128.96	-1.1%	2.0%	1.6%
2015	Annual	74.6%	2.1%	$174.66	2.1%	$130.29	4.2%	1.2%	3.3%
2016	1	75.1%	-3.0%	$187.04	-1.2%	$140.41	-4.1%	2.0%	-1.0%
2016	2	81.1%	1.1%	$188.28	2.1%	$152.79	3.2%	2.7%	3.8%
2016	3	66.8%	-2.4%	$143.74	0.6%	$96.02	-1.8%	3.2%	0.7%
2016	4	71.3%	-1.4%	$177.42	-0.5%	$126.50	-1.9%	2.6%	1.1%
2016	Annual	73.6%	-1.4%	$175.17	0.3%	$128.86	-1.1%	2.6%	1.2%
2017	1	77.5%	3.3%	$195.81	4.7%	$151.81	8.1%	2.1%	5.4%
2017F	2	79.0%	-2.6%	$189.54	0.7%	$149.77	-2.0%	2.8%	0.1%
2017F	3	66.6%	-0.4%	$146.96	2.2%	$97.82	1.9%	3.6%	3.2%
2017F	4	70.2%	-1.5%	$182.82	3.0%	$128.36	1.5%	4.2%	2.6%
2017F	Annual	73.3%	-0.4%	$179.79	2.6%	$131.74	2.2%	3.2%	2.8%
2018F	Annual	73.1%	-0.3%	$183.48	2.1%	$134.09	1.8%	2.4%	2.1%
2019F	Annual	73.2%	0.1%	$187.36	2.1%	$137.06	2.2%	2.0%	2.1%
2020F	Annual	73.1%	-0.1%	$190.94	1.9%	$139.59	1.8%	2.3%	2.3%
2021F	Annual	73.5%	0.5%	$194.90	2.1%	$143.15	2.6%	2.3%	2.8%
2017 1Q	Trailing 4 Qtrs	74.2%	0.2%	$177.63	2.1%	$131.78	2.3%	2.6%	2.8%

Source: CBRE Hotels' Americas Research, STR, Q1 2017

New Orleans Financial Benchmarks* - Full-Service Hotels

FULL-SERVICE HOTELS - PERCENT OF TOTAL REVENUE - 2016			
Financial Line Item	South Central Region	ADR Between $125 & $250†	150 to 300 Rooms‡
Rooms Revenue	69.0%	70.9%	72.8%
Food and Beverage Revenue	26.1%	24.9%	22.6%
Total Departmental Expenses	34.5%	35.5%	37.1%
Total Departmental Profit	65.5%	64.5%	62.9%
Total Undistributed Expenses	26.1%	25.1%	26.1%
Gross Operating Profit**	39.4%	39.4%	36.8%

*Data from 2017 *Trends®* *in the Hotel Industry* report

**Before deductions for management fees and non-operating income and expenses.

† New Orleans Upper-Price Average ADR: $175.17

‡ New Orleans Upper-Price Average Size: 230 Rooms

Source: CBRE Hotels' Americas Research, 2016

For a more comparable and detailed financial comparison, we recommend a Benchmarker℠ report. Please contact Viet Vo at +1 404 812 5112 for more information.

New Orleans Forecast - Lower-Priced Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2012	Annual	64.3%	11.1%	$93.00	8.5%	$59.82	20.5%	1.5%	12.7%
2013	Annual	61.5%	-4.4%	$99.45	6.9%	$61.18	2.3%	0.4%	-4.0%
2014	1	64.9%	-0.4%	$106.71	-5.8%	$69.27	-6.2%	0.5%	0.1%
2014	2	67.0%	2.5%	$100.88	4.3%	$67.58	7.0%	1.9%	4.5%
2014	3	58.2%	7.3%	$90.24	4.5%	$52.54	12.2%	2.9%	10.4%
2014	4	61.3%	0.1%	$100.17	0.9%	$61.40	1.1%	2.6%	2.8%
2014	Annual	62.8%	2.2%	$99.72	0.3%	$62.67	2.4%	2.0%	4.2%
2015	1	68.1%	4.9%	$107.62	0.9%	$73.31	5.8%	1.9%	7.0%
2015	2	65.3%	-2.5%	$106.53	5.6%	$69.55	2.9%	1.9%	-0.7%
2015	3	55.5%	-4.8%	$91.68	1.6%	$50.84	-3.2%	2.6%	-2.3%
2015	4	60.2%	-1.7%	$100.47	0.3%	$60.51	-1.4%	1.2%	-0.5%
2015	Annual	62.2%	-1.0%	$102.02	2.3%	$63.50	1.3%	1.9%	0.9%
2016	1	60.9%	-10.6%	$106.27	-1.3%	$64.74	-11.7%	1.2%	-9.5%
2016	2	65.4%	0.2%	$107.20	0.6%	$70.15	0.9%	1.7%	1.9%
2016	3	59.9%	8.1%	$91.34	-0.4%	$54.75	7.7%	1.5%	9.7%
2016	4	60.1%	-0.2%	$100.22	-0.2%	$60.22	-0.5%	4.5%	4.3%
2016	Annual	61.6%	-1.1%	$101.36	-0.6%	$62.42	-1.7%	2.2%	1.2%
2017	1	65.1%	6.8%	$109.54	3.1%	$71.26	10.1%	5.5%	12.6%
2017F	2	63.3%	-3.3%	$105.32	-1.8%	$66.65	-5.0%	5.3%	1.8%
2017F	3	57.6%	-3.8%	$93.10	1.9%	$53.66	-2.0%	4.4%	0.4%
2017F	4	59.3%	-1.4%	$103.31	3.1%	$61.21	1.7%	3.6%	2.2%
2017F	Annual	61.3%	-0.5%	$103.06	1.7%	$63.17	1.2%	4.7%	4.2%
2018F	Annual	61.3%	0.1%	$104.98	1.9%	$64.40	2.0%	2.0%	2.1%
2019F	Annual	61.7%	0.5%	$107.24	2.1%	$66.12	2.7%	2.0%	2.5%
2020F	Annual	62.1%	0.7%	$109.96	2.5%	$68.28	3.3%	2.1%	2.8%
2021F	Annual	62.6%	0.8%	$113.01	2.8%	$70.77	3.7%	2.2%	3.1%
2017 1Q	Trailing 4 Qtrs	62.6%	3.6%	$102.38	0.8%	$64.12	4.5%	3.3%	7.0%

Source: CBRE Hotels' Americas Research, STR, Q1 2017

New Orleans Financial Benchmarks* - Limited-Service Hotels

LIMITED-SERVICE HOTELS - PERCENT OF TOTAL REVENUE - 2016			
Financial Line Item	South Central Region	ADR Between $75 & $115†	Under 100 Rooms‡
Rooms Revenue	97.9%	98.5%	98.4%
Food and Beverage Revenue	0.0%	0.0%	0.0%
Total Departmental Expenses	26.0%	27.7%	26.6%
Total Departmental Profit	74.0%	72.3%	73.4%
Total Undistributed Expenses	30.3%	30.9%	31.0%
Gross Operating Profit**	43.7%	41.4%	42.4%

*Data from 2017 *Trends®* *in the Hotel Industry* report

**Before deductions for management fees and non-operating income and expenses.

† New Orleans Lower-Price Average ADR: $101.36

‡ New Orleans Lower-Price Average Size: 87 Rooms

Source: CBRE Hotels' Americas Research, 2016

For a more comparable and detailed financial comparison, we recommend a Benchmarker℠ report. Please contact Viet Vo at +1 404 812 5112 for more information.

CBRE

National Horizon Profile

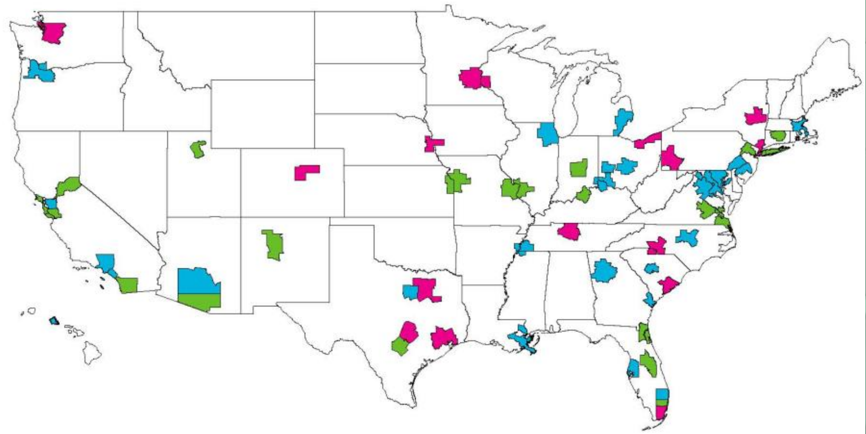
2017 Average Annual Supply Change

This page showcases the CBRE Hotels' Americas Research *Hotel Horizons®* 60- city forecasting universe. The map below displays average supply change for 2017. Quarterly *Hotel Horizons®* reports are available for the nation and all the markets shown below.

https://pip.cbrehotels.com

Albany
Albuquerque
Anaheim
Atlanta
Austin
Baltimore
Boston
Charleston
Charlotte
Chicago
Cincinnati
Cleveland
Columbia
Columbus
Dallas
Dayton
Denver
Detroit
Fort Lauderdale
Fort Worth
Hartford
Houston
Indianapolis
Jacksonville
Kansas City
Long Island
Los Angeles
Louisville
Memphis
Miami
Milwaukee
Minneapolis
Nashville
New Orleans
New York
Newark
Norfolk-VA Beach
Oahu
Oakland
Omaha
Orlando
Philadelphia
Phoenix
Pittsburgh
Portland
Raleigh-Durham
Richmond
Sacramento
Saint Louis
Salt Lake City
San Antonio
San Diego
San Francisco
San Jose-Santa Cruz
Savannah
Seattle
Tampa
Tucson
Washington DC
West Palm Beach

Less Than 2% Between 2% and 4% Greater Than 4%



Source: CBRE Hotels' Americas Research, STR, Q1 2017

New Orleans Market Profile

Total Room Supply: 39,945

New Orleans Top Brands

UPPER-PRICED BRANDS	PROPERTIES	ROOMS	% MARKET	LOWER-PRICED BRANDS	PROPERTIES	ROOMS	% MARKET
Hilton	3	2,191	5.5%	La Quinta Inns & Suites	9	1,122	2.8%
Marriott	3	1,884	4.7%	Holiday Inn	6	1,038	2.6%
Sheraton Hotel	2	1,291	3.2%	Best Western Plus	8	837	2.1%
Hyatt Regency	1	1,193	3.0%	Days Inn	6	685	1.7%
Courtyard	6	989	2.5%	Wyndham Garden Hotel	3	565	1.4%

Source: STR, Q1 2017

New Orleans Supply Pipeline

	Upper-Priced			Lower-Priced			Unclassified / Independent		
PHASE	PROPERTIES	ROOMS	% MARKET	PROPERTIES	ROOMS	% MARKET	PROPERTIES	ROOMS	% MARKET
Unconfirmed	1	350	0.9%	0	0	0.0%	0	0	0.0%
Planning	4	2,030	5.1%	12	1,017	2.5%	0	0	0.0%
Final Planning	5	778	1.9%	6	598	1.5%	0	0	0.0%
In Construction	7	983	2.5%	4	410	1.0%	0	0	0.0%
Total	**17**	**4,141**	**10.4%**	**22**	**2,025**	**5.1%**	**0**	**0**	**0.0%**

Source: STR, CBRE Hotels' Americas Research, Q1 2017

Pipeline Status Definitions

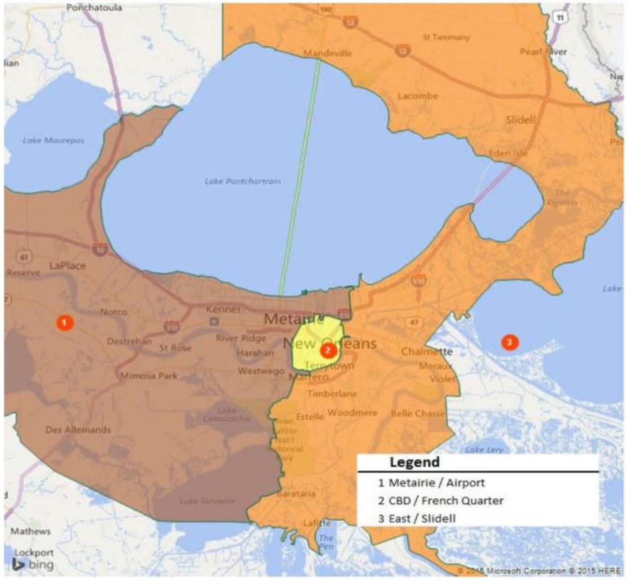
PHASE	DEFINITION
Unconfirmed*	Potential projects that remain unconfirmed at this time. STR is unable to verify the existence of these projects through a corporate chain feed or other verifiable source.
Planning	Confirmed, under contract projects where construction will begin in more than 12 months.
Final Planning	Confirmed, under contract projects where construction will begin within the next 12 months.
In Construction	Vertical construction on the physical building has begun. This does not include construction on any sub-grade structures including, but not limited to, parking garages, underground supports/footers or any other type of sub-grade construction.

Source: STR, Q1 2017

*Formerly Pre-Planning

New Orleans Submarket Map

Total Room Supply: 39,945



Source: CBRE EA, Q1 2017

New Orleans Submarket Summary

SUBMARKET	UPPER-PRICED			LOWER-PRICED			TOTALS		
	Properties	Rooms	% Market	Properties	Rooms	% Market	Properties	Rooms	% Market
CBD / French Quarter	85	21,024	52.6%	43	3,672	9.2%	128	24,696	61.8%
East / Slidell	8	791	2.0%	85	7,011	17.6%	93	7,802	19.5%
Metairie / Airport	10	1,867	4.7%	59	5,580	14.0%	69	7,447	18.6%
Total	103	23,682	59.3%	187	16,263	40.7%	290	39,945	100.0%

Source: STR, Q1 2017

Submarket Profile - CBD / French Quarter

Total Room Supply: 24,696

The New Orleans Downtown / French Quarter submarket consists of hotels located in the Central Business District and historic French Quarter of New Orleans. Also included in this submarket are hotels near the Convention Center and in the Garden District.

Submarket Rank*

2

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

128%

*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

CBD / French Quarter Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	85	21,024	85.1%	Inventory	43	3,672	14.9%
UPPER-PRICED BRANDS BY SHARE	**PROPERTIES**	**ROOMS**	**%SUBMKT**	**LOWER-PRICED BRANDS BY SHARE**	**PROPERTIES**	**ROOMS**	**%SUBMKT**
Hilton	2	1,874	7.6%	Holiday Inn	2	463	1.9%
Marriott	2	1,664	6.7%	Best Western Plus	3	250	1.0%
Hyatt Regency	1	1,193	4.8%	Drury Inn & Suites	1	214	0.9%

Source: STR, Q1 2017

CBD / French Quarter Construction Pipeline

PHASE	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	1	350	1.4%	0	0	0.0%	0	0	0.0%
Planning	2	1,710	6.9%	5	433	1.8%	0	0	0.0%
Final Planning	3	580	2.3%	3	318	1.3%	0	0	0.0%
In Construction	4	658	2.7%	1	105	0.4%	0	0	0.0%
TOTAL	10	3,298	13.4%	9	856	3.5%	0	0	0.0%

Source: STR, CBRE Hotels' Americas Research, Q1 2017

CBD / French Quarter Performance - All Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	69.5%	-	$158.49	-	$110.15	-
2013	69.9%	0.5%	$170.06	7.3%	$118.83	7.9%
2014	72.8%	4.2%	$172.85	1.6%	$125.81	5.9%
2015	74.5%	2.3%	$176.60	2.2%	$131.52	4.5%
2016	73.5%	-1.3%	$177.44	0.5%	$130.48	-0.8%
1Q16 YTD	75.6%	-2.4%	$189.87	-1.2%	$143.48	-3.6%
1Q17 YTD	78.0%	3.3%	$198.89	4.7%	$155.18	8.2%

CBD / French Quarter Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	69.4%	-	$163.26	-	$113.38	-
2013	70.1%	0.9%	$174.86	7.1%	$122.54	8.1%
2014	72.9%	4.0%	$178.02	1.8%	$129.78	5.9%
2015	74.5%	2.2%	$181.53	2.0%	$135.28	4.2%
2016	73.5%	-1.3%	$182.43	0.5%	$134.14	-0.8%
1Q16 YTD	75.5%	-2.3%	$194.96	-1.3%	$147.24	-3.5%
1Q17 YTD	78.1%	3.4%	$204.52	4.9%	$159.65	8.4%

CBD / French Quarter Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	69.8%	-	$132.44	-	$92.43	-
2013	68.8%	-1.5%	$142.81	7.8%	$98.19	6.2%
2014	72.1%	4.9%	$143.93	0.8%	$103.82	5.7%
2015	74.2%	2.9%	$148.60	3.2%	$110.29	6.2%
2016	73.6%	-0.9%	$148.45	-0.1%	$109.20	-1.0%
1Q16 YTD	75.8%	-3.0%	$159.78	-1.6%	$121.16	-4.6%
1Q17 YTD	77.8%	2.6%	$166.75	4.4%	$129.75	7.1%

Source: STR, Q1 2017

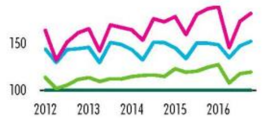
All Hotels Penetration vs. Market Total

YEAR	OCC	ADR	REVPAR
2012	102.7%	119.3%	122.5%
2013	104.5%	118.9%	124.2%
2014	105.5%	119.2%	125.8%
2015	107.0%	119.0%	127.3%
2016	107.0%	119.5%	127.8%
1Q16 YTD	108.9%	119.7%	130.3%
1Q17 YTD	107.7%	121.2%	130.5%

Source: STR, Q1 2017

Upper-Priced Penetration vs. Market Total

Lower-Priced Penetration vs. Market Total



Source: STR, Q1 2017

CBRE

Submarket Profile - East / Slidell

Total Room Supply: 7,802

The New Orleans East / Slidell submarket consists of a broad area of suburbia located east of downtown. This geographically large sector extends from the Gulf of Mexico to the south, all the way up to north Lake Pontchartrain. Included in the submarket are the cities of Gretna, Harvey, Slidell and Covington.

Submarket Rank*

1

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

46%

*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

East / Slidell Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	8	791	10.1%	Inventory	85	7,011	89.9%
UPPER-PRICED BRANDS BY SHARE	**PROPERTIES**	**ROOMS**	**%SUBMKT**	**LOWER-PRICED BRANDS BY SHARE**	**PROPERTIES**	**ROOMS**	**%SUBMKT**
Courtyard	2	264	3.4%	Motel 6	4	473	6.1%
Homewood Suites	2	170	2.2%	Days Inn	4	466	6.0%
Residence Inn	1	125	1.6%	La Quinta Inns & Suites	4	444	5.7%

Source: STR, Q1 2017

East / Slidell Construction Pipeline

	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
PHASE	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	0	0	0.0%	0	0	0.0%	0	0	0.0%
Planning	1	220	2.8%	2	162	2.1%	0	0	0.0%
Final Planning	1	88	1.1%	3	280	3.6%	0	0	0.0%
In Construction	1	97	1.2%	2	184	2.4%	0	0	0.0%
TOTAL	**3**	**405**	**5.2%**	**7**	**626**	**8.0%**	**0**	**0**	**0.0%**

Source: STR, CBRE Hotels' Americas Research, Q1 2017

East / Slidell Performance - All Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	57.8%	-	$79.17	-	$45.74	-
2013	56.0%	-3.1%	$81.81	3.3%	$45.78	0.1%
2014	56.0%	0.0%	$81.67	-0.2%	$45.71	-0.2%
2015	54.7%	-2.2%	$82.53	1.1%	$45.18	-1.2%
2016	55.7%	1.7%	$83.84	1.6%	$46.69	3.3%
1Q16 YTD	52.5%	-13.8%	$84.21	-1.2%	$44.23	-14.9%
1Q17 YTD	56.4%	7.4%	$88.51	5.1%	$49.92	12.9%

East / Slidell Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	66.1%	-	$102.33	-	$67.68	-
2013	66.3%	0.2%	$103.31	1.0%	$68.50	1.2%
2014	67.5%	1.7%	$102.14	-1.1%	$68.91	0.6%
2015	61.7%	-8.6%	$101.14	-1.0%	$62.36	-9.5%
2016	67.5%	9.5%	$103.26	2.1%	$69.74	11.8%
1Q16 YTD	57.1%	-9.1%	$103.95	1.3%	$59.40	-7.9%
1Q17 YTD	59.6%	4.4%	$107.54	3.5%	$64.13	8.0%

East / Slidell Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	56.9%	-	$76.19	-	$43.32	-
2013	54.8%	-3.6%	$78.93	3.6%	$43.27	-0.1%
2014	54.8%	-0.1%	$79.01	0.1%	$43.26	0.0%
2015	54.0%	-1.3%	$80.34	1.7%	$43.41	0.4%
2016	54.3%	0.5%	$81.04	0.9%	$44.02	1.4%
1Q16 YTD	52.0%	-14.5%	$81.63	-2.1%	$42.43	-16.3%
1Q17 YTD	56.0%	7.8%	$86.23	5.6%	$48.31	13.9%

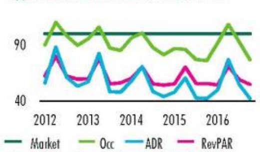
Source: STR, Q1 2017

All Hotels Penetration vs. Market Total

YEAR	OCC	ADR	REVPAR
2012	85.4%	59.6%	50.9%
2013	83.7%	57.2%	47.9%
2014	81.2%	56.3%	45.7%
2015	78.6%	55.6%	43.7%
2016	81.0%	56.4%	45.7%
1Q16 YTD	75.7%	53.1%	40.2%
1Q17 YTD	77.9%	53.9%	42.0%

Source: STR, Q1 2017

Upper-Priced Penetration vs. Market Total



Lower-Priced Penetration vs. Market Total

Source: STR, Q1 2017

Submarket Profile - Metairie / Airport

Total Room Supply: 7,447

The Metairie / Airport submarket consists of hotels located west of New Orleans along the Interstate 10 corridor. The hotels in this submarket are located in Metairie, as well as in the City of Kenner near the Louis Armstrong New Orleans Airport.

Submarket Rank*

3

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

63%

*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

Metairie / Airport Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	10	1,867	25.1%	Inventory	59	5,580	74.9%
UPPER-PRICED BRANDS BY SHARE	**PROPERTIES**	**ROOMS**	**%SUBMKT**	**LOWER-PRICED BRANDS BY SHARE**	**PROPERTIES**	**ROOMS**	**%SUBMKT**
Hilton	1	317	4.3%	La Quinta Inns & Suites	4	512	6.9%
Crowne Plaza	1	292	3.9%	Best Western Plus	2	321	4.3%
DoubleTree	1	245	3.3%	Ramada	2	268	3.6%

Source: STR, Q1 2017

Metairie / Airport Construction Pipeline

	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
PHASE	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	0	0	0.0%	0	0	0.0%	0	0	0.0%
Planning	1	100	1.3%	5	422	5.7%	0	0	0.0%
Final Planning	1	110	1.5%	0	0	0.0%	0	0	0.0%
In Construction	2	228	3.1%	1	121	1.6%	0	0	0.0%
TOTAL	**4**	**438**	**5.9%**	**6**	**543**	**7.3%**	**0**	**0**	**0.0%**

Source: STR, CBRE Hotels' Americas Research, Q1 2017

Metairie / Airport Performance - All Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	70.9%	-	$89.49	-	$63.48	-
2013	67.1%	-5.4%	$95.66	6.9%	$64.19	1.1%
2014	69.0%	2.8%	$95.78	0.1%	$66.06	2.9%
2015	68.3%	-1.0%	$97.66	2.0%	$66.66	0.9%
2016	66.2%	-3.0%	$96.60	-1.1%	$63.97	-4.0%
1Q16 YTD	66.2%	-10.3%	$99.79	-2.2%	$66.11	-12.3%
1Q17 YTD	70.8%	6.9%	$101.05	1.3%	$71.55	8.2%

Metairie / Airport Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	75.7%	-	$111.76	-	$84.63	-
2013	75.7%	0.0%	$116.51	4.3%	$88.19	4.2%
2014	77.2%	2.0%	$118.48	1.7%	$91.43	3.7%
2015	80.1%	3.8%	$121.05	2.2%	$97.00	6.1%
2016	76.2%	-4.9%	$120.63	-0.4%	$91.93	-5.2%
1Q16 YTD	77.8%	-6.7%	$124.50	-2.0%	$96.86	-8.5%
1Q17 YTD	79.2%	1.8%	$127.90	2.7%	$101.25	4.5%

Metairie / Airport Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	69.3%	-	$81.16	-	$56.24	-
2013	64.2%	-7.4%	$87.36	7.6%	$56.09	-0.3%
2014	66.2%	3.1%	$86.82	-0.6%	$57.47	2.5%
2015	64.3%	-2.9%	$87.86	1.2%	$56.46	-1.7%
2016	62.9%	-2.2%	$86.86	-1.1%	$54.61	-3.3%
1Q16 YTD	62.4%	-11.6%	$89.59	-2.5%	$55.93	-13.8%
1Q17 YTD	68.0%	8.9%	$90.60	1.1%	$61.61	10.2%

Source: STR, Q1 2017

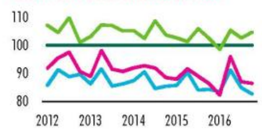
All Hotels Penetration vs. Market Total

YEAR	OCC	ADR	REVPAR
2012	104.9%	67.3%	70.6%
2013	100.3%	66.9%	67.1%
2014	100.0%	66.1%	66.1%
2015	98.1%	65.8%	64.5%
2016	96.3%	65.0%	62.7%
1Q16 YTD	95.5%	62.9%	60.0%
1Q17 YTD	97.7%	61.6%	60.2%

Source: STR, Q1 2017

Upper-Priced Penetration vs. Market Total

Lower-Priced Penetration vs. Market Total



Source: STR, Q1 2017

MARKET SEGMENTS - REPRESENTATIVE BRANDS

Upper-Priced			Lower-Priced		
Fairmont	Embassy Suites	Courtyard by Marriott	Best Western Plus	Best Western	Days Inn
Four Seasons	Hilton	Crowne Plaza	Comfort Inn	Red Lion	Econo Lodge
Loews	Hyatt	Hyatt Place	Hampton Inn	La Quinta	Extended Stay America
Ritz Carlton	Marriott	Radisson	Holiday Inn	Mainstay Suites	Red Roof
W Hotels	Westin	Residence Inn	TownePlace Suites	Quality Inn	Value Place

EXHIBIT DEFINITIONS

Exhibit 1	Occupancy levels, ADR change and RevPAR change are plotted on a fixed "grade" scale. Measured as current value minus the mean, divided by the series' standard deviation. Grades: A: Very strong, greater than one standard deviation above long run average. B: Strong, within one standard deviation above long run average C: Somewhat weak, within one standard deviation below long run average. D: Weak, below one standard deviation of the long run average.
Exhibits 2 - 5	Year over year change in Income, Employment, RevPAR and Demand, displayed as annual (Exhibits 2 and 3) and quarterly (Exhibits 4 and 5).
Exhibit 6	Average annual Employment, Consumer Price Index, Gross Domestic Product, and Real Personal Income change for the MSA.
Exhibits 7 - 9	Index based change charts with base year 2012 = 100, illustrating the magnitude of change.
Exhibits 10 - 12	Compound average annual RevPAR, Demand and Supply change for Upper Priced, Lower Priced, and combined (All) hotels within the MSA.
Exhibit 13	Real RevPAR change (inflation adjusted, CPI) of the current period minus the historical mean of Real RevPAR change, divided by the historical standard deviation of Real RevPAR change.

FINANCIAL BENCHMARKS

The financial benchmarks come from the 2017 edition (2016 data) of *Trends® in the Hotel Industry*, CBRE Hotels' Americas Research's annual analysis of hotel financial statements from thousands of properties located across the nation. To benchmark the performance of hotels in the local market, we relied on national operating data from hotels of a similar profile to the average hotel in the subject market. The average room count, occupancy, and ADR of upper-priced hotels were used to analyze the performance of full-service hotels. The average room count, occupancy, and ADR of lower-priced hotels were used to analyze the performance of limited-service hotels. For a more in-depth report with a custom comparable set designed for your individual property or the subject market, see our CBRE Hotels' *Benchmarker*℠ service. (pip.cbrehotels.com)

HOW WE FORECAST

CBRE Hotels' Americas Research prepares hotel market forecasts based on accepted econometric procedures and sound judgment. The two-stage process for producing the forecasts firstly involves econometric estimation of future hotel market activity and financial performance based on historical relationships between economic and hotel market variables, and secondly, a judgmental review of modeled outputs by experienced hotel market analysts. CBRE Hotels and others believe that errors in forecasting are minimized by relying on both data analytics and judgment.

ECONOMETRIC MODELS

Econometric forecasting represents one of the most sophisticated approaches to gaining insight into future economic activity. Unlike some forecasting methods used in business practice, the models that underlie econometric forecasts contain variables based in economic theory. The forecasts come from historical relationships, similar to statistical correlations, among hotel market measures and economic variables. The measures for the variables come from actual market transactions involving individuals and firms interacting in the economy.

Positive Features of Econometric Models:

- The variables included in the models follow from economic theory.
- The relationships between variables are estimated with advanced statistical methods.
- The forecasts developed with econometric models are objectively determined, unlike forecasts based only on judgmental approaches.

Gaining insight into the futures of complicated economic environments requires the introduction of multi-level forecasting models. Several equations often need to be identified and estimated to model complex economic conditions such as the national economy. Multi-equation models have considerable appeal for economic forecasting because they explicitly recognize the interdependence of relationships commonly encountered in markets. Perhaps the best example of this type of model is one that involves both the demand side and the supply side of markets, in which prices of goods are set by the interaction of buyers and sellers. Thus, price appears as a variable in both the demand and supply equations.

THE EQUATIONS

The *Hotel Horizons®* econometric forecasting models fall into the category of multi-equation, demand and supply models. These models have the structure defined below, but vary in their construction for particular market applications (*e.g.*, different cities and hotel market segments). The three estimated equations are:

1. Demand for hotel rooms is primarily driven by the general level of economic activity in the nation or city, as measured by income and employment. The equation recognizes the fundamental relationship between room purchasing behavior and either growth or decline in the relevant economy. Both economic theory and historical data relationships strongly support the inclusion of ADR in the demand equation because lower ADRs motivate increases in travel and leisure spending, while higher ADRs motivate decreases.

2. Supply change - In historical lodging data, a strong relationship exists between growth in the supply of new hotel rooms and prior-period lodging market conditions. In the equation, new hotel room growth in modeled as a function of past levels of new room growth, past ADR, and past occupancy levels.

3. ADR movements are correlated with room scarcity in the market.

The equation which estimates ADR defines ADR as a function of past room rates and contemporaneous occupancy levels. The parameters (*i.e.*, coefficients on each variable) then are used to forecast demand, supply change, and RADR by multiplying the parameters by CBRE Econometric Advisors and Moody's Analytics forecasts of the economic variables and relevant previously estimated values (lagged variables). Three additional calculations are made with these results, as follows:

1. Supply change is added to the previous-period number of available rooms to produce an available rooms level in future periods.

2. Number of rooms sold is divided by number of available rooms to obtain occupancy percent in each future period.

3. Expected inflation is added to real ADR to convert to nominal ADR.

JUDGMENTAL INTERVENTION

A committee of hotel experts from CBRE Hotels' Americas Research performs a thorough review of each model prediction. These assessments are made by locally-based hotel experts working in the various offices around the U.S. The quarterly forecasts for the current and forecast period years are subject to review. The committee modifies the model's market prediction when there is compelling evidence that factors have come into play that the model could not possibly foresee. A Super Bowl-type event, as an extreme example, would cause the committee's forecast to differ noticeably from the model's prediction—not only in the city in which the event will occur, but also competing cities within the region. In most instances, however, the committee either defers to the model prediction or makes modest adjustments.

Economic Data from April 19, 2017 Hotel Data from March 2017

CBRE

What Has Changed Since The Last Report?

Forecasts are valuable tools for developing expectations of key variables. Changes to forecasts occur for two primary reasons. The first is adjustments to historical series made by the data provider, causing future periods to vary due to changes in their base. The second is that economic expectations tend to shift as more information becomes available, thus moving the hotel variables according to their underlying relationships. We are constantly re-evaluating the performance of our forecasts, and presented below is a view on how the world has changed since the March - May 2017 issue, presented in same period, prior year change format. All data under "This Report" are actual through 1st Quarter 2017. Data marked as "Last Report" are actual through 4th Quarter 2016 with 1st Quarter 2017 being the first forecast period for that report. As noted on earlier pages, all of the hotel variables below are modeled using data from Moody's Analytics. It is important to note that all historical data are subject to revision.

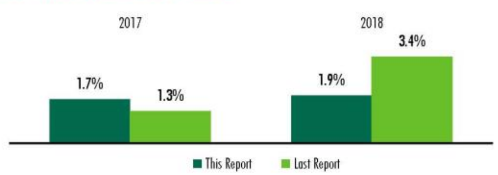
At the beginning of each year, STR, our source for historical lodging data, repositions the chain-scale classifications for branded properties, and chain-class categories for independent hotels. The reclassifications are based on the ADR achieved the prior year. Because of these reclassifications, the historical data presented in this report may differ from the historical data presented in prior *Hotel Horizons®* reports. Further, the reclassifications may have influenced our forecasts of future performance.

	2017				2017	2018	2019
	1st Qtr	2nd Qtr F	3rd Qtr F	4th Qtr F	Year End	Year End	Year End
	CHANGE IN REAL PERSONAL INCOME*						
This Report	2.6%	3.7%	4.6%	4.5%	3.9%	3.1%	3.5%
Last Report	3.7%	4.2%	4.6%	4.4%	4.2%	3.5%	3.6%
	CHANGE IN TOTAL PAYROLL EMPLOYMENT*						
This Report	0.7%	1.0%	1.0%	1.4%	1.0%	0.8%	-0.3%
Last Report	1.0%	0.9%	1.6%	1.4%	1.2%	0.9%	0.0%
	CHANGE IN SUPPLY**						
This Report	3.4%	3.8%	3.9%	3.9%	3.8%	2.2%	2.0%
Last Report	3.3%	3.5%	3.4%	3.3%	3.4%	2.6%	2.1%
	CHANGE IN DEMAND**						
This Report	7.9%	0.7%	2.1%	2.4%	3.3%	2.1%	2.3%
Last Report	5.2%	-0.5%	2.0%	3.2%	2.4%	3.5%	2.9%
	CHANGE IN OCCUPANCY**						
This Report	4.4%	-3.0%	-1.7%	-1.5%	-0.5%	-0.1%	0.2%
Last Report	1.8%	-3.9%	-1.3%	-0.2%	-1.0%	0.9%	0.9%
	CHANGE IN ADR**						
This Report	3.5%	-0.1%	2.4%	3.1%	2.2%	2.0%	2.1%
Last Report	0.8%	1.2%	3.6%	4.0%	2.2%	2.5%	1.5%
	CHANGE IN REVPAR**						
This Report	8.0%	-3.1%	0.7%	1.6%	1.7%	1.9%	2.3%
Last Report	2.5%	-2.8%	2.3%	3.9%	1.3%	3.4%	2.4%

* Economic data (history and forecast) are from CBRE EA, Q1 2017

** Hotel performance data: History supplied by STR; Forecast developed by CBRE Hotels' Americas Research, Q1 2017

2017 and 2018 Year End Forecast Change in RevPAR



Source: CBRE Hotels' Americas Research, Q1 2017

HOTEL HORIZONS® JUNE - AUGUST 2017 EDITION NEW ORLEANS

GLOSSARY OF TERMS	
ADR	Average Daily Rate - rooms revenue divided by paid rooms occupied.
Occupancy	Paid rooms occupied divided by available rooms.
RevPAR	Revenue per Available Room - rooms revenue divided by available rooms.
Supply	Average daily room nights available per quarter, represented as a change over previous year, same quarter except where noted annually.
Demand	(Accommodated Demand) Average daily room nights occupied per quarter, represented as a change over previous year, same quarter except where noted annually.
LRA	Long Run Average - Annual average from 1988 to last complete year end.
Penetration	Market area (or sub-market area) measurement as a percent of national (or market area) measurement.
Standard Deviation	The plotting of a normal data series and how far each individual data point lies from the mean: 68.2% of the series will fall within 1 standard deviation, 95.4% of all data points will fall within 2 standard deviations, and 99.7% falling within 3 standard deviations of the mean.

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HOTEL REPORT – REGIONAL – SPRING 2018

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GLOSSARY OF TERMS

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NEW ORLEANS

REGIONAL ECONOMIC SUMMARY

"Sixth District business contacts remained largely positive with most noting that economic conditions were improving at a modest pace over the reporting period. Most contacts expect continued slow and steady growth in the near-term. Business contacts experienced on-going labor market tightness but limited wage growth. Non-labor input costs increased slightly from the previous report. Contacts reported that holiday retail sales exceeded expectations, but auto sales softened. Residential real estate brokers and builders noted mixed sales activity for both existing and new homes. Home prices rose and inventory levels were described as flat or down. Manufacturers indicated that new orders picked up since the previous report.

Holiday reports from District travel and hospitality contacts indicated much higher-than-anticipated tourism activity. Further, the outlook among contacts remains positive for the first quarter of 2018 with strong advance bookings in the conference and business travel segments. Many commercial real estate contacts from the District reported improvements in demand that resulted in rent growth, specifically in industrial and warehouse/distribution properties and to a lesser degree in office and multifamily. Contacts cautioned that the rate of improvement varies by metropolitan area, submarket, and property type. Most contacts continued to report a healthy pipeline of activity."

Federal Reserve Bank Beige Book, January 2018

New Orleans: Next 4 Quarters

The arrows show the forecast direction of change over the next 4 quarters vs. the previous 4 quarters. Green indicates the change will be above the long run average, yellow indicates it will be the same, and orange indicates it will be below.

Occupancy
Occupancy will decrease to 67.8%, a decline over the past 4 quarters' rate of 68.2%, but above the long run average of 66.6%

Average Daily Rate
ADR growth expectations are increasing, 2.2% vs. the past 4 quarters' rate of 0.3%, but are below the long run average of 3.0%

Revenue Per Available Room
RevPAR growth projections are climbing to 1.6% as compared to the past 4 quarters' rate of negative 0.5%, but are lower than the long run average of positive 3.5%

Supply (orange indicates above long-term average)
Supply growth is climbing, 2.7% vs. the past 4 quarters' rate of 2.5%, and greater than the long run average of 1.5%

Demand
Forecast demand growth is climbing, 2.1% vs. the past 4 quarters' rate of 1.7%, and is greater than the long run average of 1.9%

Source: CBRE Hotels' Americas Research, Q4 2017

HOTEL MARKET SUMMARY

In 2017, New Orleans hotels finished the year with a RevPAR loss of 0.5%. This was the result of a decline in occupancy of 0.8% and a 0.3% gain in average daily room rates (ADR). The 0.5% decline in New Orleans RevPAR was worse than the national average of 3.0%.

New Orleans's upper-priced properties finished 2017 ahead of its lower-priced properties in terms of RevPAR change. The properties in this category attained a 0.5% gain in ADR and saw a 0.2% increase in occupancy. Lower-priced hotels experienced no growth in ADR, along with a 2.1% loss in occupancy.

Looking towards 2018, New Orleans RevPAR is expected to grow 1.6%. Occupancy is forecast to drop 0.6%, while average room rates are projected to increase 2.2%. Revenue is expected to continue to climb in 2019.

New Orleans Forecast Summary

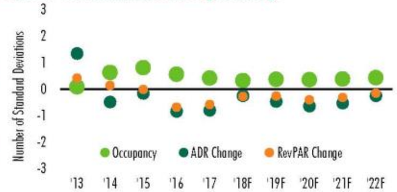
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	66.9%	-1.1%	$143.03	7.6%	$95.68	6.4%
2014	69.0%	3.1%	$144.97	1.4%	$99.99	4.5%
2015	69.6%	1.0%	$148.56	2.5%	$103.46	3.5%
2016	68.7%	-1.4%	$148.77	0.1%	$102.21	-1.2%
2017	68.2%	-0.8%	$149.22	0.3%	$101.73	-0.5%
2018F	67.8%	-0.6%	$152.47	2.2%	$103.36	1.6%
2019F	68.0%	0.3%	$154.63	1.4%	$105.13	1.7%
2020F	67.9%	-0.1%	$155.90	0.8%	$105.90	0.7%
2021F	68.0%	0.2%	$157.78	1.2%	$107.34	1.4%
2022F	68.2%	0.3%	$161.21	2.2%	$109.99	2.5%

Source: CBRE Hotels' Americas Research, STR, Q4 2017

Long Run Averages 1988 to 2017

Occupancy: 66.6%, ADR Change: 3.0%, RevPAR Change: 3.5%

EXHIBIT 1**: Performance Grade vs. Long Run Average



Source: CBRE Hotels' Americas Research, STR, Q4 2017

**See Appendix for exhibit descriptions

CBRE

New Orleans Economic Summary

Below are a select number of variables that drive the CBRE Hotels | Americas Research econometric forecasts contained in this report. Income and employment are important barometers of economic health and are used in every *Hotel Horizons®* forecast model. The lodging market is part of the larger economy, and the forces that affect us nationally also affect lodging, but in different magnitudes and time periods (see Exhibits 4 and 5 below). Exhibits 2 - 6 provide an overview of current economic history and forecast, and provide explanation of what to expect in the future, and how that affects the lodging industry.

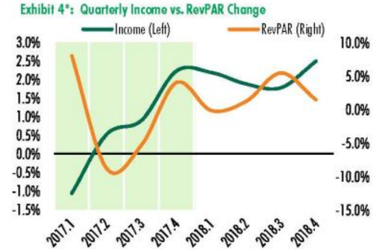
Exhibit 2*: Income Change

Source: CBRE EA, Q4 2017

Exhibit 3*: Employment Change

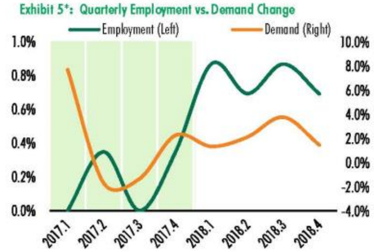
Source: CBRE EA, Q4 2017

Exhibit 4*: Quarterly Income vs. RevPAR Change



Source: CBRE EA, CBRE Hotels, STR, Q4 2017

Exhibit 5*: Quarterly Employment vs. Demand Change



Source: CBRE EA, CBRE Hotels, STR, Q4 2017

Exhibit 6*: Average Annual Growth Rates

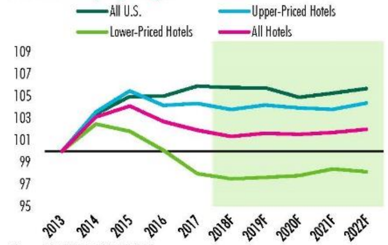
Source: CBRE EA, Moody's Analytics, Q4 2017

*See Appendix for exhibit descriptions

New Orleans Hotel Summary

The graphs on the left illustrate the magnitude of change in performance during the historical and forecasted period 2013 to 2022. Used as a relative benchmark, each market segment is plotted against a common index value of 2013 = 100. This method provides clear insight of how each market segment performed and is expected to perform in relation to others in the specified period. The charts on the right compare near-term historical compound annual growth rates (CAGR) to the CAGRs for the forecast period.

Exhibit 7*: Occupancy Change

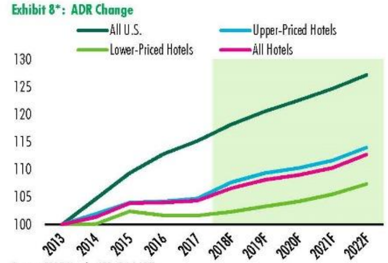


Source: CBRE Hotels, STR, Q4 2017

Exhibit 10*: Compound Average Annual Supply Change

Source: CBRE Hotels, STR, Q4 2017

Exhibit 8*: ADR Change

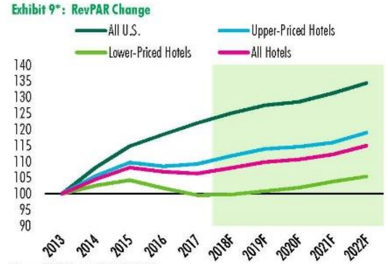


Source: CBRE Hotels, STR, Q4 2017

Exhibit 11*: Compound Average Annual Demand Change

Source: CBRE Hotels, STR, Q4 2017

Exhibit 9*: RevPAR Change



Source: CBRE Hotels, STR, Q4 2017

*See Appendix for exhibit descriptions

Exhibit 12*: Compound Average Annual RevPAR Change

Source: CBRE Hotels, STR, Q4 2017

*See Appendix for exhibit descriptions

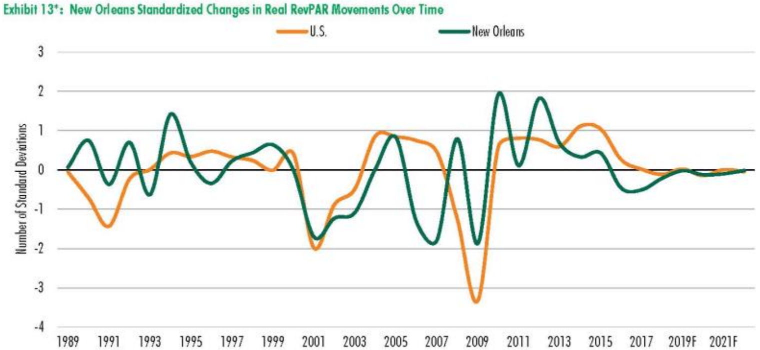
CBRE

New Orleans Forecast - All Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2013	Annual	66.9%	-1.1%	$143.03	7.6%	$95.68	6.4%	0.8%	-0.3%
2014	Annual	69.0%	3.1%	$144.97	1.4%	$99.99	4.5%	0.7%	3.8%
2015	1	73.6%	4.3%	$158.88	-0.4%	$116.99	3.8%	1.0%	5.3%
2015	2	74.3%	1.8%	$156.79	8.4%	$116.44	10.4%	1.1%	3.0%
2015	3	63.2%	-1.7%	$124.69	1.2%	$78.79	-0.5%	1.5%	-0.2%
2015	4	67.5%	-0.8%	$150.65	-0.1%	$101.71	-0.9%	1.2%	0.4%
2015	Annual	69.6%	1.0%	$148.56	2.5%	$103.46	3.5%	1.2%	2.2%
2016	1	69.4%	-5.7%	$158.83	0.0%	$110.29	-5.7%	1.2%	-4.6%
2016	2	74.7%	0.6%	$160.12	2.1%	$119.57	2.7%	1.9%	2.5%
2016	3	64.0%	1.3%	$124.15	-0.4%	$79.48	0.9%	2.4%	3.7%
2016	4	66.7%	-1.1%	$149.48	-0.8%	$99.78	-1.9%	3.3%	2.1%
2016	Annual	68.7%	-1.4%	$148.77	0.1%	$102.21	-1.2%	2.2%	0.8%
2017	1	72.4%	4.2%	$164.54	3.6%	$119.07	8.0%	3.3%	7.7%
2017	2	71.8%	-3.9%	$151.81	-5.2%	$108.95	-8.9%	2.3%	-1.7%
2017	3	61.9%	-3.3%	$121.51	-2.1%	$75.22	-5.4%	2.0%	-1.4%
2017	4	66.7%	-0.1%	$155.52	4.0%	$103.74	4.0%	2.3%	2.2%
2017	Annual	68.2%	-0.8%	$149.22	0.3%	$101.73	-0.5%	2.5%	1.7%
2018F	1	71.4%	-1.3%	$166.30	1.1%	$118.82	-0.2%	2.6%	1.3%
2018F	2	71.0%	-1.1%	$155.32	2.3%	$110.24	1.2%	3.2%	2.1%
2018F	3	62.4%	0.8%	$127.01	4.5%	$79.28	5.4%	2.9%	3.7%
2018F	4	66.4%	-0.5%	$158.54	1.9%	$105.20	1.4%	2.0%	1.4%
2018F	Annual	67.8%	-0.6%	$152.47	2.2%	$103.36	1.6%	2.7%	2.1%
2019F	Annual	68.0%	0.3%	$154.63	1.4%	$105.13	1.7%	1.6%	1.9%
2020F	Annual	67.9%	-0.1%	$155.90	0.8%	$105.90	0.7%	2.0%	2.0%
2021F	Annual	68.0%	0.2%	$157.78	1.2%	$107.34	1.4%	2.1%	2.3%
2022F	Annual	68.2%	0.3%	$161.21	2.2%	$109.99	2.5%	2.1%	2.4%

Source: CBRE Hotels' Americas Research, STR Inc., Q4 2017

Exhibit 13*: New Orleans Standardized Changes in Real RevPAR Movements Over Time



Source: CBRE Hotels' Americas Research, STR, Q4 2017

*See Appendix for exhibit description

HOTEL HORIZONS® MARCH - MAY 2018 EDITION NEW ORLEANS

New Orleans Forecast - Upper-Priced Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2013	Annual	70.5%	0.7%	$167.37	7.0%	$118.03	7.8%	1.1%	1.8%
2014	Annual	73.0%	3.6%	$170.61	1.9%	$124.61	5.6%	-0.1%	3.4%
2015	1	77.3%	3.9%	$188.72	-0.4%	$145.84	3.5%	0.3%	4.3%
2015	2	80.0%	4.1%	$183.82	8.3%	$147.13	12.7%	1.2%	5.4%
2015	3	68.2%	-0.3%	$142.42	0.4%	$97.07	0.1%	2.0%	1.7%
2015	4	72.1%	-0.6%	$177.65	-0.8%	$128.08	-1.4%	2.4%	1.8%
2015	Annual	74.4%	1.8%	$174.10	2.0%	$129.50	3.9%	1.5%	3.3%
2016	1	75.0%	-3.0%	$186.18	-1.3%	$139.57	-4.3%	2.4%	-0.6%
2016	2	81.1%	1.3%	$187.37	1.9%	$151.89	3.2%	2.8%	4.1%
2016	3	66.7%	-2.2%	$143.18	0.5%	$95.47	-1.6%	3.1%	0.9%
2016	4	71.2%	-1.3%	$176.61	-0.6%	$125.68	-1.9%	2.5%	1.2%
2016	Annual	73.5%	-1.2%	$174.38	0.2%	$128.09	-1.1%	2.7%	1.4%
2017	1	77.3%	3.1%	$195.12	4.8%	$150.87	8.1%	2.0%	5.2%
2017	2	78.3%	-3.4%	$178.41	-4.8%	$139.66	-8.0%	0.8%	-2.6%
2017	3	67.0%	0.4%	$139.39	-2.6%	$93.32	-2.3%	0.5%	0.9%
2017	4	71.8%	0.9%	$183.85	4.1%	$131.98	5.0%	1.5%	2.4%
2017	Annual	73.6%	0.2%	$175.29	0.5%	$128.98	0.7%	1.2%	1.4%
2018F	1	76.8%	-0.7%	$197.77	1.4%	$151.88	0.7%	2.2%	1.5%
2018F	2	77.1%	-1.6%	$183.65	2.9%	$141.50	1.3%	2.9%	1.2%
2018F	3	66.9%	-0.1%	$147.02	5.5%	$98.31	5.3%	2.7%	2.6%
2018F	4	72.0%	0.4%	$188.73	2.7%	$135.97	3.0%	1.3%	1.6%
2018F	Annual	73.2%	-0.5%	$180.22	2.8%	$131.90	2.3%	2.3%	1.7%
2019F	Annual	73.5%	0.4%	$183.06	1.6%	$134.51	2.0%	1.4%	1.8%
2020F	Annual	73.3%	-0.3%	$184.55	0.8%	$135.26	0.6%	2.2%	1.9%
2021F	Annual	73.2%	-0.1%	$186.84	1.2%	$136.78	1.1%	2.3%	2.1%
2022F	Annual	73.6%	0.5%	$190.80	2.1%	$140.45	2.7%	2.2%	2.8%

Source: CBRE Hotels' Americas Research, STR Inc., Q4 2017

New Orleans Financial Benchmarks* - Full-Service Hotels

FULL-SERVICE HOTELS - PERCENT OF TOTAL REVENUE - 2016			
Financial Line Item	South Central Region	ADR Between $125 & $250†	150 to 300 Rooms‡
Rooms Revenue	69.0%	70.9%	72.8%
Food and Beverage Revenue	26.1%	24.9%	22.6%
Total Departmental Expenses	34.5%	35.5%	37.1%
Total Departmental Profit	65.5%	64.5%	62.9%
Total Undistributed Expenses	26.1%	25.1%	26.1%
Gross Operating Profit**	39.4%	39.4%	36.8%

*Data from 2017 *Trends®* *in the Hotel Industry* report

**Before deductions for management fees and non-operating income and expenses.

† New Orleans Upper-Price Average ADR: $174.38

‡ New Orleans Upper-Price Average Size: 228 Rooms

Source: CBRE Hotels' Americas Research, 2016

For a more comparable and detailed financial comparison, we recommend a Benchmarker℠ report. Please contact Viet Vo at +1 404 812 5112 for more information.

CBRE

New Orleans Airbnb Summary

Below is an overview of Airbnb's presence in this market. The estimates of Airbnb performance come from Airdna, a firm that provides data and analytics on Airbnb rental performance for 4 million+ Airbnb listings worldwide. Figure 1 shows the total number of units available, sold and revenue generated during January 2016 – December 2017 along with the calculated Occupancy, Average Daily Rate (ADR), RevPAR, and year-over-year growth rates. Figure 2 shows the percent of units and revenue by unit type. Figure 3 shows the average daily number of active Airbnb units by month. Figure 4 lists the ADRs broken down by unit types and number of bed rooms over the past 12 months. More detailed reports on Airbnb performance in this market can be found at https://pip.cbrehotels.com/airbnbinsights.

Fig. 1: January 2016 – December 2017 Airbnb Performance

METRIC	2017	Y-o-Y CHANGE
Occupancy	48.6%	5.6%
ADR	$195.66	9.4%
RevPAR	$95.13	15.5%
Available Supply	1,605,542	33.0%
Units Sold	780,195	40.5%
Total Revenue	$152,398,380	53.6%

Source: Airdna, CBRE Hotels' Americas Research, Q4 2017

Fig. 2: Percent of Active Units and Revenue by Listing Type

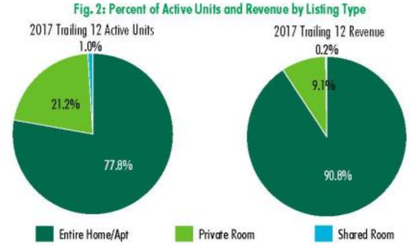
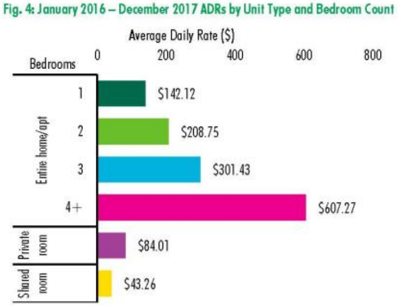


Fig. 3: January 2016 – December 2017 Active Units by Month

Fig. 4: January 2016 – December 2017 ADRs by Unit Type and Bedroom Count



Glossary

Active Units - a unit is considered active if it had at least one night sold during the month
Average Daily Rate (ADR) - The revenue collected divided by the units sold.
Bedrooms - The number of rooms that are available within each unit.

Unit Types:

Entire Home - The guest has complete and sole access to the entire Unit during the stay.
Private Room - The guest has their own sleeping area, but shares access to the Unit common areas with others.
Shared Room - The guest rents a common area, like an airbed in a living room.

Detailed Report on Airbnb data for any U.S. Market Can be found at: https://pip.cbrehotels.com/airbnbinsights

New Orleans Forecast - Lower-Priced Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2013	Annual	61.2%	-4.3%	$98.92	6.8%	$60.54	2.1%	0.4%	-4.0%
2014	Annual	62.7%	2.5%	$99.02	0.1%	$62.10	2.6%	2.0%	4.5%
2015	1	68.0%	5.1%	$106.88	0.8%	$72.73	6.0%	2.0%	7.2%
2015	2	65.3%	-2.1%	$105.71	5.6%	$69.08	3.3%	0.9%	-1.3%
2015	3	55.6%	-4.5%	$91.18	1.6%	$50.65	-3.0%	0.8%	-3.7%
2015	4	60.3%	-1.6%	$99.55	0.2%	$60.00	-1.3%	-0.6%	-2.2%
2015	Annual	62.3%	-0.6%	$101.30	2.3%	$63.11	1.6%	0.8%	0.1%
2016	1	60.7%	-10.8%	$105.34	-1.4%	$63.93	-12.1%	-0.7%	-11.4%
2016	2	64.6%	-1.1%	$106.23	0.5%	$68.63	-0.6%	0.6%	-0.5%
2016	3	59.8%	7.7%	$90.87	-0.3%	$54.39	7.4%	1.3%	9.1%
2016	4	59.9%	-0.6%	$99.41	-0.1%	$59.54	-0.8%	4.4%	3.7%
2016	Annual	61.3%	-1.7%	$100.55	-0.7%	$61.59	-2.4%	1.4%	-0.3%
2017	1	64.8%	6.7%	$108.57	3.1%	$70.32	10.0%	5.3%	12.4%
2017	2	61.9%	-4.2%	$100.65	-5.2%	$62.28	-9.3%	4.5%	0.1%
2017	3	54.3%	-9.3%	$88.16	-3.0%	$47.85	-12.0%	4.3%	-5.4%
2017	4	59.0%	-1.5%	$103.03	3.6%	$60.75	2.0%	3.6%	2.0%
2017	Annual	60.0%	-2.1%	$100.53	0.0%	$60.27	-2.1%	4.4%	2.2%
2018F	1	63.3%	-2.2%	$108.43	-0.1%	$68.68	-2.3%	3.3%	1.0%
2018F	2	61.8%	-0.1%	$102.14	1.5%	$63.15	1.4%	3.8%	3.7%
2018F	3	55.7%	2.7%	$90.84	3.0%	$50.62	5.8%	3.1%	5.8%
2018F	4	57.8%	-1.9%	$102.29	-0.7%	$59.17	-2.6%	3.0%	1.1%
2018F	Annual	59.7%	-0.5%	$101.19	0.7%	$60.38	0.2%	3.3%	2.8%
2019F	Annual	59.7%	0.1%	$102.19	1.0%	$61.05	1.1%	1.8%	2.0%
2020F	Annual	59.8%	0.2%	$103.08	0.9%	$61.69	1.0%	1.8%	2.0%
2021F	Annual	60.2%	0.6%	$104.38	1.3%	$62.84	1.9%	1.8%	2.5%
2022F	Annual	60.1%	-0.2%	$106.21	1.8%	$63.79	1.5%	1.8%	1.6%

Source: CBRE Hotels' Americas Research, STR Inc., Q4 2017

New Orleans Financial Benchmarks* - Limited-Service Hotels

LIMITED-SERVICE HOTELS - PERCENT OF TOTAL REVENUE - 2016			
Financial Line Item	South Central Region	ADR Between $75 & $115†	Under 100 Rooms‡
Rooms Revenue	97.9%	98.5%	98.4%
Food and Beverage Revenue	0.0%	0.0%	0.0%
Total Departmental Expenses	26.0%	27.7%	26.6%
Total Departmental Profit	74.0%	72.3%	73.4%
Total Undistributed Expenses	30.3%	30.9%	31.0%
Gross Operating Profit**	43.7%	41.4%	42.4%

*Data from 2017 *Trends®* *in the Hotel Industry* report

**Before deductions for management fees and non-operating income and expenses.

Source: CBRE Hotels' Americas Research, 2016

† New Orleans Lower-Price Average ADR: $100.55

‡ New Orleans Lower-Price Average Size: 86 Rooms

For a more comparable and detailed financial comparison, we recommend a Benchmarker℠ report. Please contact Viet Vo at +1 404 812 5112 for more information.

National Horizon Profile

2017 Average Occupancy Level

This page showcases the CBRE Hotels' Americas Research *Hotel Horizons®* forecasting universe. This page showcases the CBRE Hotels' Americas Research Hotel Horizons® 60- city forecasting universe. The map below displays average annual occupancy level for 2017. Quarterly *Hotel Horizons®* reports are available for the nation and all the markets shown below.

https://pip.cbrehotels.com

Albany	Dayton	Milwaukee	Raleigh-Durham
Albuquerque	Denver	Minneapolis	Richmond
Anaheim	Detroit	Nashville	Sacramento
Atlanta	Fort Lauderdale	New Orleans	Saint Louis
Austin	Fort Worth	New York	Salt Lake City
Baltimore	Hartford	Newark	San Antonio
Boston	Houston	Norfolk-VA Beach	San Diego
Charleston	Indianapolis	Oahu	San Francisco
Charlotte	Jacksonville	Oakland	San Jose-Santa Cruz
Chicago	Kansas City	Omaha	Savannah
Cincinnati	Long Island	Orlando	Seattle
Cleveland	Los Angeles	Philadelphia	Tampa
Columbia	Louisville	Phoenix	Tucson
Columbus	Memphis	Pittsburgh	Washington DC
Dallas	Miami	Portland	West Palm Beach

Less Than 65% | Between 65% and 70% | Between 70% and 75% | Greater Than 75%

Source: CBRE Hotels' Americas Research, STR, Q4 2017

New Orleans Market Profile

Total Room Supply: 40,386

New Orleans Top Brands

UPPER-PRICED BRANDS	PROPERTIES	ROOMS	% MARKET	LOWER-PRICED BRANDS	PROPERTIES	ROOMS	% MARKET
Hilton	3	2,191	5.4%	Holiday Inn	7	1,159	2.9%
Marriott	3	1,884	4.7%	La Quinta Inns & Suites	8	1,063	2.6%
Sheraton Hotel	2	1,291	3.2%	Days Inn	6	685	1.7%
Hyatt Regency	1	1,193	3.0%	Best Western Plus	7	586	1.5%
Courtyard	6	989	2.4%	Wyndham Garden Hotel	3	565	1.4%

Source: STR, Q4 2017

New Orleans Supply Pipeline

	Upper-Priced			Lower-Priced			Unclassified / Independent		
PHASE	PROPERTIES	ROOMS	% MARKET	PROPERTIES	ROOMS	% MARKET	PROPERTIES	ROOMS	% MARKET
Unconfirmed	1	350	0.9%	0	0	0.0%	0	0	0.0%
Planning	4	2,050	5.1%	8	684	1.7%	0	0	0.0%
Final Planning	6	863	2.1%	11	1,046	2.6%	0	0	0.0%
In Construction	4	591	1.5%	6	675	1.7%	0	0	0.0%
Total	**15**	**3,854**	**9.5%**	**25**	**2,405**	**6.0%**	**0**	**0**	**0.0%**

Source: STR, CBRE Hotels' Americas Research, Q4 2017

Pipeline Status Definitions

PHASE	DEFINITION
Unconfirmed*	Potential projects that remain unconfirmed at this time. STR is unable to verify the existence of these projects through a corporate chain feed or other verifiable source.
Planning	Confirmed, under contract projects where construction will begin in more than 12 months.
Final Planning	Confirmed, under contract projects where construction will begin within the next 12 months.
In Construction	Vertical construction on the physical building has begun. This does not include construction on any sub-grade structures including, but not limited to, parking garages, underground supports/footers or any other type of sub-grade construction.

Source: STR, Q4 2017

*Formerly Pre-Planning

CBRE

Submarket Profile - CBD / French Quarter

Total Room Supply: 25,025

The New Orleans Downtown / French Quarter submarket consists of hotels located in the Central Business District and historic French Quarter of New Orleans. Also included in this submarket are hotels near the Convention Center and in the Garden District.

Submarket Rank*

1

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

130%

*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

CBD / French Quarter Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	87	21,501	85.9%	Inventory	42	3,524	14.1%
UPPER-PRICED BRANDS BY SHARE	**PROPERTIES**	**ROOMS**	**%SUBMKT**	**LOWER-PRICED BRANDS BY SHARE**	**PROPERTIES**	**ROOMS**	**%SUBMKT**
Hilton	2	1,874	7.5%	Holiday Inn	2	463	1.9%
Marriott	2	1,664	6.6%	Best Western Plus	3	250	1.0%
Hyatt Regency	1	1,193	4.8%	Drury Inn & Suites	1	214	0.9%

Source: STR, Q4 2017

CBD / French Quarter Construction Pipeline

	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
PHASE	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	1	350	1.4%	0	0	0.0%	0	0	0.0%
Planning	2	1,710	6.8%	6	522	2.1%	0	0	0.0%
Final Planning	4	675	2.7%	2	198	0.8%	0	0	0.0%
In Construction	3	472	1.9%	3	397	1.6%	0	0	0.0%
TOTAL	**10**	**3,207**	**12.8%**	**11**	**1,117**	**4.5%**	**0**	**0**	**0.0%**

Source: STR, CBRE Hotels' Americas Research, Q4 2017

CBD / French Quarter Performance - All Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	69.9%	-	$170.06	-	$118.83	-
2014	72.8%	4.2%	$172.85	1.6%	$125.81	5.9%
2015	74.5%	2.3%	$176.66	2.2%	$131.59	4.6%
2016	73.5%	-1.3%	$177.58	0.5%	$130.55	-0.8%
2017	74.1%	0.8%	$178.33	0.4%	$132.13	1.2%

All Hotels Penetration vs. Market Total

YEAR	OCC	ADR	REVPAR
2013	104.5%	118.9%	124.2%
2014	105.5%	119.2%	125.8%
2015	106.9%	118.9%	127.2%
2016	107.0%	119.4%	127.7%
2017	108.7%	119.5%	129.9%

Source: STR, Q4 2017

CBD / French Quarter Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	70.2%	-	$174.49	-	$122.58	-
2014	73.0%	4.0%	$177.73	1.9%	$129.79	5.9%
2015	74.6%	2.2%	$181.25	2.0%	$135.25	4.2%
2016	73.6%	-1.3%	$182.10	0.5%	$134.10	-0.9%
2017	74.2%	0.8%	$182.83	0.4%	$135.74	1.2%

Upper-Priced Penetration vs. Market Total

CBD / French Quarter Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	67.7%	-	$143.06	-	$96.86	-
2014	71.4%	5.4%	$143.74	0.5%	$102.58	5.9%
2015	73.7%	3.2%	$148.62	3.4%	$109.49	6.7%
2016	72.7%	-1.3%	$148.57	0.0%	$108.06	-1.3%
2017	73.2%	0.6%	$150.46	1.3%	$110.10	1.9%

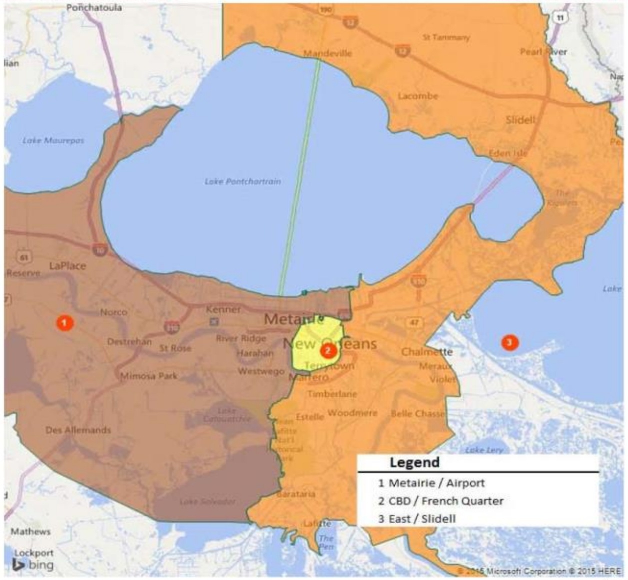
Source: STR, Q4 2017

Lower-Priced Penetration vs. Market Total

Source: STR, Q4 2017

New Orleans Submarket Map

Total Room Supply: 40,386



Source: CBRE EA, Q4 2017

New Orleans Submarket Summary

SUBMARKET	UPPER-PRICED			LOWER-PRICED			TOTALS		
	Properties	Rooms	% Market	Properties	Rooms	% Market	Properties	Rooms	% Market
CBD / French Quarter	87	21,501	53.2%	42	3,524	8.7%	129	25,025	62.0%
East / Slidell	9	888	2.2%	84	6,908	17.1%	93	7,796	19.3%
Metairie / Airport	11	1,962	4.9%	60	5,603	13.9%	71	7,565	18.7%
Total	**107**	**24,351**	**60.3%**	**186**	**16,035**	**39.7%**	**293**	**40,386**	**100.0%**

Source: STR, Q4 2017

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Submarket Profile - East / Slidell

Total Room Supply: 7,796

The New Orleans East / Slidell submarket consists of a broad area of suburbia located east of downtown. This geographically large sector extends from the Gulf of Mexico to the south, all the way up to north Lake Pontchartrain. Included in the submarket are the cities of Gretna, Harvey, Slidell and Covington.

Submarket Rank*

3

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

43%

*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

East / Slidell Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	9	888	11.4%	Inventory	84	6,908	88.6%
UPPER-PRICED BRANDS BY SHARE	**PROPERTIES**	**ROOMS**	**%SUBMKT**	**LOWER-PRICED BRANDS BY SHARE**	**PROPERTIES**	**ROOMS**	**%SUBMKT**
Homewood Suites	3	267	3.4%	Motel 6	4	473	6.1%
Courtyard	2	264	3.4%	Days Inn	4	466	6.0%
Residence Inn	1	125	1.6%	La Quinta Inns & Suites	3	385	4.9%

Source: STR, Q4 2017

East / Slidell Construction Pipeline

	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
PHASE	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	0	0	0.0%	0	0	0.0%	0	0	0.0%
Planning	1	220	2.8%	2	162	2.1%	0	0	0.0%
Final Planning	1	88	1.1%	4	398	5.1%	0	0	0.0%
In Construction	0	0	0.0%	2	184	2.4%	0	0	0.0%
TOTAL	**2**	**308**	**4.0%**	**8**	**744**	**9.5%**	**0**	**0**	**0.0%**

Source: STR, CBRE Hotels' Americas Research, Q4 2017

East / Slidell Performance - All Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	56.0%	-	$81.81	-	$45.78	-
2014	56.0%	0.0%	$81.67	-0.2%	$45.71	-0.2%
2015	54.8%	-2.1%	$82.76	1.3%	$45.36	-0.8%
2016	55.5%	1.3%	$84.26	1.8%	$46.79	3.1%
2017	52.2%	-5.9%	$83.88	-0.4%	$43.83	-6.3%

All Hotels Penetration vs. Market Total

YEAR	OCC	ADR	REVPAR
2013	83.7%	57.2%	47.9%
2014	81.2%	56.3%	45.7%
2015	78.7%	55.7%	43.8%
2016	80.8%	56.6%	45.8%
2017	76.6%	56.2%	43.1%

Source: STR, Q4 2017

East / Slidell Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	66.3%	-	$103.31	-	$68.50	-
2014	67.5%	1.7%	$102.14	-1.1%	$68.91	0.6%
2015	61.7%	-8.6%	$101.14	-1.0%	$62.36	-9.5%
2016	67.5%	9.5%	$103.27	2.1%	$69.72	11.8%
2017	58.7%	-13.1%	$102.73	-0.5%	$60.27	-13.6%

Upper-Priced Penetration vs. Market Total

East / Slidell Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	54.8%	-	$78.93	-	$43.27	-
2014	54.8%	-0.1%	$79.01	0.1%	$43.26	0.0%
2015	54.1%	-1.2%	$80.59	2.0%	$43.59	0.8%
2016	54.1%	0.0%	$81.47	1.1%	$44.09	1.1%
2017	51.5%	-4.8%	$81.40	-0.1%	$41.92	-4.9%

Source: STR, Q4 2017

Lower-Priced Penetration vs. Market Total

Source: STR, Q4 2017

Submarket Profile - Metairie / Airport

Total Room Supply: 7,565

The Metairie / Airport submarket consists of hotels located west of New Orleans along the Interstate 10 corridor. The hotels in this submarket are located in Metairie, as well as in the City of Kenner near the Louis Armstrong New Orleans Airport.

Submarket Rank*

2

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

60%

*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

Metairie / Airport Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	11	1,962	25.9%	Inventory	60	5,603	74.1%
UPPER-PRICED BRANDS BY SHARE	**PROPERTIES**	**ROOMS**	**%SUBMKT**	**LOWER-PRICED BRANDS BY SHARE**	**PROPERTIES**	**ROOMS**	**%SUBMKT**
Hilton	1	317	4.2%	La Quinta Inns & Suites	4	512	6.8%
Crowne Plaza	1	292	3.9%	Holiday Inn	2	326	4.3%
DoubleTree	1	245	3.2%	Ramada	2	268	3.5%

Source: STR, Q4 2017

Metairie / Airport Construction Pipeline

	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
PHASE	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	0	0	0.0%	0	0	0.0%	0	0	0.0%
Planning	1	120	1.6%	0	0	0.0%	0	0	0.0%
Final Planning	1	100	1.3%	5	450	5.9%	0	0	0.0%
In Construction	1	119	1.6%	1	94	1.2%	0	0	0.0%
TOTAL	**3**	**339**	**4.5%**	**6**	**544**	**7.2%**	**0**	**0**	**0.0%**

Source: STR, CBRE Hotels' Americas Research, Q4 2017

Metairie / Airport Performance - All Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	67.1%	-	$95.66	-	$64.19	-
2014	69.0%	2.8%	$95.78	0.1%	$66.06	2.9%
2015	68.3%	-1.0%	$97.66	2.0%	$66.66	0.9%
2016	66.2%	-3.0%	$96.66	-1.0%	$63.97	-4.0%
2017	65.0%	-1.8%	$94.15	-2.6%	$61.19	-4.3%

All Hotels Penetration vs. Market Total

YEAR	OCC	ADR	REVPAR
2013	100.3%	66.9%	67.1%
2014	100.0%	66.1%	66.1%
2015	98.0%	65.7%	64.4%
2016	96.3%	65.0%	62.6%
2017	95.3%	63.1%	60.2%

Source: STR, Q4 2017

Metairie / Airport Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	74.5%	-	$114.73	-	$85.44	-
2014	74.9%	0.6%	$117.38	2.3%	$87.92	2.9%
2015	75.9%	1.4%	$120.16	2.4%	$91.24	3.8%
2016	73.5%	-3.2%	$119.09	-0.9%	$87.55	-4.0%
2017	72.2%	-1.8%	$118.56	-0.4%	$85.58	-2.2%

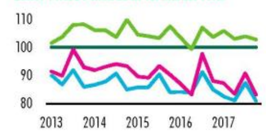
Upper-Priced Penetration vs. Market Total

Metairie / Airport Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	64.3%	-	$87.29	-	$56.13	-
2014	66.7%	3.7%	$86.55	-0.8%	$57.74	2.9%
2015	65.2%	-2.2%	$87.32	0.9%	$56.95	-1.4%
2016	63.2%	-3.0%	$86.22	-1.3%	$54.52	-4.3%
2017	62.2%	-1.6%	$83.13	-3.6%	$51.71	-5.2%

Source: STR, Q4 2017

Lower-Priced Penetration vs. Market Total



Source: STR, Q4 2017

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MARKET SEGMENTS - REPRESENTATIVE BRANDS

Upper-Priced			Lower-Priced		
Fairmont	Embassy Suites	Courtyard by Marriott	Best Western Plus	Best Western	Days Inn
Four Seasons	Hilton	Crowne Plaza	Comfort Inn	Red Lion	Econo Lodge
Loews	Hyatt	Hyatt Place	Hampton Inn	La Quinta	Extended Stay America
Ritz Carlton	Marriott	Radisson	Holiday Inn	Mainstay Suites	Red Roof
W Hotels	Westin	Residence Inn	TownePlace Suites	Quality Inn	Value Place

EXHIBIT DEFINITIONS

Exhibit 1	Occupancy levels, ADR change and RevPAR change are plotted on a fixed "grade" scale. Measured as current value minus the mean, divided by the series' standard deviation. Grades: A: Very strong, greater than one standard deviation above long run average. B: Strong, within one standard deviation above long run average C: Somewhat weak, within one standard deviation below long run average. D: Weak, below one standard deviation of the long run average.
Exhibits 2 - 5	Year over year change in Income, Employment, RevPAR and Demand, displayed as annual (Exhibits 2 and 3) and quarterly (Exhibits 4 and 5).
Exhibit 6	Average annual Employment, Consumer Price Index, Gross Domestic Product, and Real Personal Income change for the MSA.
Exhibits 7 - 9	Index based change charts with base year 2013 = 100, illustrating the magnitude of change.
Exhibits 10 - 12	Compound average annual RevPAR, Demand and Supply change for Upper Priced, Lower Priced, and combined (All) hotels within the MSA.
Exhibit 13	Real RevPAR change (inflation adjusted, CPI) of the current period minus the historical mean of Real RevPAR change, divided by the historical standard deviation of Real RevPAR change.

FINANCIAL BENCHMARKS

The financial benchmarks come from the 2017 edition (2016 data) of *Trends® in the Hotel Industry*, CBRE Hotels' Americas Research's annual analysis of hotel financial statements from thousands of properties located across the nation. To benchmark the performance of hotels in the local market, we relied on national operating data from hotels of a similar profile to the average hotel in the subject market. The average room count, occupancy, and ADR of upper-priced hotels were used to analyze the performance of full-service hotels. The average room count, occupancy, and ADR of lower-priced hotels were used to analyze the performance of limited-service hotels. For a more in-depth report with a custom comparable set designed for your individual property or the subject market, see our CBRE Hotels' *Benchmarker℠* service. (pip.cbrehotels.com)

HOW WE FORECAST

CBRE Hotels' Americas Research prepares hotel market forecasts based on accepted econometric procedures and sound judgment. The two-stage process for producing the forecasts firstly involves econometric estimation of future hotel market activity and financial performance based on historical relationships between economic and hotel market variables, and secondly, a judgmental review of modeled outputs by experienced hotel market analysts. CBRE Hotels and others believe that errors in forecasting are minimized by relying on both data analytics and judgment.

ECONOMETRIC MODELS

Econometric forecasting represents one of the most sophisticated approaches to gaining insight into future economic activity. Unlike some forecasting methods used in business practice, the models that underlie econometric forecasts contain variables based in economic theory. The forecasts come from historical relationships, similar to statistical correlations, among hotel market measures and economic variables. The measures for the variables come from actual market transactions involving individuals and firms interacting in the economy.

Positive Features of Econometric Models:
- The variables included in the models follow from economic theory.
- The relationships between variables are estimated with advanced statistical methods.
- The forecasts developed with econometric models are objectively determined, unlike forecasts based only on judgmental approaches.

Gaining insight into the futures of complicated economic environments requires the introduction of multi-level forecasting models. Several equations often need to be identified and estimated to model complex economic conditions such as the national economy. Multi-equation models have considerable appeal for economic forecasting because they explicitly recognize the interdependence of relationships commonly encountered in markets. Perhaps the best example of this type of model is one that involves both the demand side and the supply side of markets, in which prices of goods are set by the interaction of buyers and sellers. Thus, price appears as a variable in both the demand and supply equations.

THE EQUATIONS

The *Hotel Horizons®* econometric forecasting models fall into the category of multi-equation, demand and supply models. These models have the structure defined below, but vary in their construction for particular market applications (*e.g.*, different cities and hotel market segments). The three estimated equations are:

1. Demand for hotel rooms is primarily driven by the general level of economic activity in the nation or city, as measured by income and employment. The equation recognizes the fundamental relationship between room purchasing behavior and either growth or decline in the relevant economy. Both economic theory and historical data relationships strongly support the inclusion of ADR in the demand equation because lower ADRs motivate increases in travel and leisure spending, while higher ADRs motivate decreases.

2. Supply change - In historical lodging data, a strong relationship exists between growth in the supply of new hotel rooms and prior-period lodging market conditions. In the equation, new hotel room growth in modeled as a function of past levels of new room growth, past ADR, and past occupancy levels.

3. ADR movements are correlated with room scarcity in the market.

The equation which estimates ADR defines ADR as a function of past room rates and contemporaneous occupancy levels.
The parameters (*i.e.*, coefficients on each variable) then are used to forecast demand, supply change, and RADR by multiplying the parameters by CBRE Econometric Advisors and Moody's Analytics forecasts of the economic variables and relevant previously estimated values (lagged variables). Three additional calculations are made with these results, as follows:

1. Supply change is added to the previous-period number of available rooms to produce an available rooms level in future periods.

2. Number of rooms sold is divided by number of available rooms to obtain occupancy percent in each future period.

3. Expected inflation is added to real ADR to convert to nominal ADR.

JUDGMENTAL INTERVENTION

A committee of hotel experts from CBRE Hotels' Americas Research performs a thorough review of each model prediction. These assessments are made by locally-based hotel experts working in the various offices around the U.S. The quarterly forecasts for the current and forecast period years are subject to review. The committee modifies the model's market prediction when there is compelling evidence that factors have come into play that the model could not possibly foresee. A Super Bowl-type event, as an extreme example, would cause the committee's forecast to differ noticeably from the model's prediction—not only in the city in which the event will occur, but also competing cities within the region. In most instances, however, the committee either defers to the model prediction or makes modest adjustments.

Economic Data from January 2018 Hotel Data from December 2017

What Has Changed Since The Last Report?

Forecasts are valuable tools for developing expectations of key variables. Changes to forecasts occur for two primary reasons. The first is adjustments to historical series made by the data provider, causing future periods to vary due to changes in their base. The second is that economic expectations tend to shift as more information becomes available, thus moving the hotel variables according to their underlying relationships. We are constantly re-evaluating the performance of our forecasts, and presented below is a view on how the world has changed since the December 2017 - February 2018 issue, presented in same period, prior year change format. All data under "This Report" are actual through 4th Quarter 2017. Data marked as "Last Report" are actual through 3rd Quarter 2017, with 4th Quarter 2017 being the first forecast period for that report. As noted on earlier pages, all of the hotel variables below are modeled using data from Moody's Analytics. It is important to note that all historical data are subject to revision.

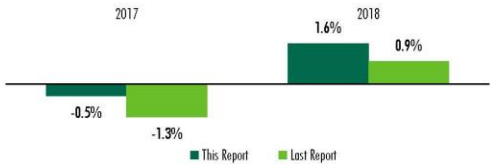
At the beginning of each year, STR, our source for historical lodging data, repositions the chain-scale classifications for branded properties, and chain-class categories for independent hotels. The reclassifications are based on the ADR achieved the prior year. Because of these reclassifications, the historical data presented in this report may differ from the historical data presented in prior *Hotel Horizons*® reports. Further, the reclassifications may have influenced our forecasts of future performance.

	2017				2017	2018	2019
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year End	Year End	Year End
	CHANGE IN REAL PERSONAL INCOME*						
This Report	-1.1%	0.5%	0.9%	2.2%	0.6%	2.1%	3.3%
Last Report	0.4%	0.0%	1.0%	1.7%	0.8%	1.8%	2.7%
	CHANGE IN TOTAL PAYROLL EMPLOYMENT*						
This Report	0.0%	0.3%	0.0%	0.3%	0.2%	0.8%	0.3%
Last Report	0.0%	0.3%	0.3%	0.5%	0.3%	0.6%	-0.1%
	CHANGE IN SUPPLY**						
This Report	3.3%	2.3%	2.0%	2.3%	2.5%	2.7%	1.6%
Last Report	3.3%	2.2%	1.9%	2.4%	2.4%	1.9%	1.6%
	CHANGE IN DEMAND**						
This Report	7.7%	-1.7%	-1.4%	2.2%	1.7%	2.1%	1.9%
Last Report	7.7%	-1.8%	-1.5%	1.4%	1.4%	2.0%	1.9%
	CHANGE IN OCCUPANCY**						
This Report	4.2%	-3.9%	-3.3%	-0.1%	-0.8%	-0.6%	0.3%
Last Report	4.2%	-3.9%	-3.3%	-1.0%	-1.0%	0.1%	0.3%
	CHANGE IN ADR**						
This Report	3.6%	-5.2%	-2.1%	4.0%	0.3%	2.2%	1.4%
Last Report	3.6%	-5.2%	-2.2%	1.5%	-0.3%	0.8%	1.8%
	CHANGE IN REVPAR**						
This Report	8.0%	-8.9%	-5.4%	4.0%	-0.5%	1.6%	1.7%
Last Report	8.0%	-8.9%	-5.4%	0.6%	-1.3%	0.9%	2.0%

* Economic data (history and forecast) are from CBRE EA, Q4 2017

** Hotel performance data: History supplied by STR; Forecast developed by CBRE Hotels' Americas Research, Q4 2017

2017 and 2018 Year End Forecast Change in RevPAR



Source: CBRE Hotels' Americas Research, Q4 2017

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Market Research, Feasibility, and Disposition Strategies

May 2018

PREPARED FOR