

Pier House Property Tour

January 2018 | Key West, Florida

ASHFORD
HOSPITALITY PRIME

Agenda



Pier House Overview



Location



Financial Highlights



Hurricane Irma Impact



Upcoming Renovations



Property Photography

Overview

Highlights

- 142 Luxury Waterfront Rooms and Suites, most with Private Balconies
- Private White Sand Beach
- Heated Outdoor Pool with Ocean View
- Personalized Concierge Services for Activities, Adventures, and Excursions
- Self-parking for $20 a night and Tesla car charging stations
- Located just 4 miles from Key West International Airport

The Spa At Pier House

- Only Full-Service Spa in Key West
- Massage, Body Treatments, Facials, Manicures and a Steam Room
- Health Club and Fitness Center with Sauna and Hot Tubs

Weddings & Events

- 2,600 sq. ft. Conference Center with Audiovisual
- Free Wi-Fi
- Event Catering
- Beach Ceremonies and Receptions

Location

Pier House Resort is located in the famous Duval St area immediately adjacent to many outstanding restaurants, bars, shops and attractions, while having magnificent water views



Demand Generators Within 2,000ft

- ✓ Sunset Celebration at Mallory Square - 2 blocks
- ✓ Key West Aquarium - 2 blocks
- ✓ Sloppy Joe's - 2 blocks
- ✓ Hog's Breath Saloon - 2 blocks
- ✓ Red Barn Theatre - 3 blocks
- ✓ Mel Fisher Maritime Museum - 3 blocks
- ✓ Danger Charters - 3 blocks

Demand Generators Within 1 Mile

- ✓ Key West Lighthouse - Less than 1 mile
- ✓ Ernest Hemingway Home and Museum - Less than 1 mile
- ✓ Fort Jefferson and Dry Tortugas National Park Ferry Dock - Less than 1 mile
- ✓ Fury Water Sports - 1 mile
- ✓ Waterfront Playhouse - 1 mile
- ✓ Rick's Bar - 1 mile
- ✓ Conch Tour Train - 1 mile
- ✓ Sunset Watersports - 1 mile
- ✓ Audubon House and Tropical Gardens - 1 mile
- ✓ Key West Shipwreck Treasure Museum - 1 mile
- ✓ Ripley's Believe it or Not - 1 mile
- ✓ Key West Museum of Art & History at the Custom House- 1 mile
- ✓ Fort Zachary Taylor Historic State Park - 1 mile

Financial Highlights – Pier House Resort

Acquired in May 2013 at a going-in cap rate of 6.2%, compared to 10.0% TTM cap rate[1] as of Q3 2017

2015

2.1%	648	86%
RPI Growth	EBITDA Margin Increase (bps)	EBITDA Flow-Through

2016

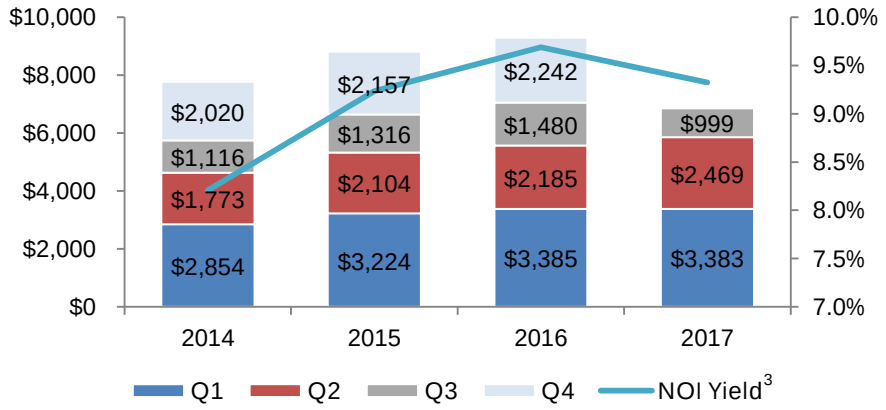
4.0%	405	206%
RPI Growth	EBITDA Margin Increase (bps)	EBITDA Flow-Through

YTD September 2017

0.1%	91	73%
RPI Growth	EBITDA Margin Increase (bps)	EBITDA Flow-Through

Remington has demonstrated the ability to achieve considerable upside especially when replacing a small, owner/operator

Quarterly NOI and NOI Yield[2]



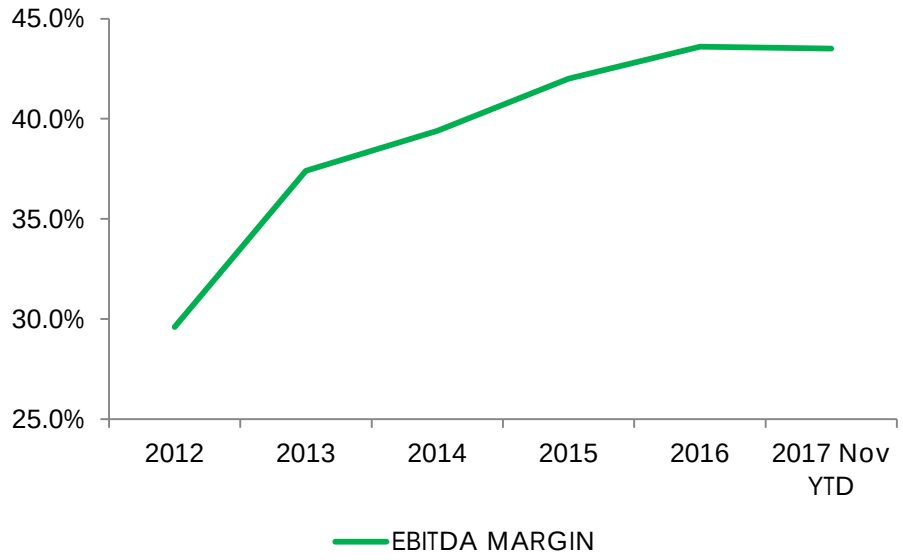
Implemented Strategies

- ✓ Eliminated $1.5mm in expenses through cost cutting initiatives
- ✓ Realized synergies with other Remington-managed Key West assets
- ✓ Saved $385,000 in insurance expense by adding to Ashford program
- ✓ Realized approximately $350,000 in annualized incremental parking revenue

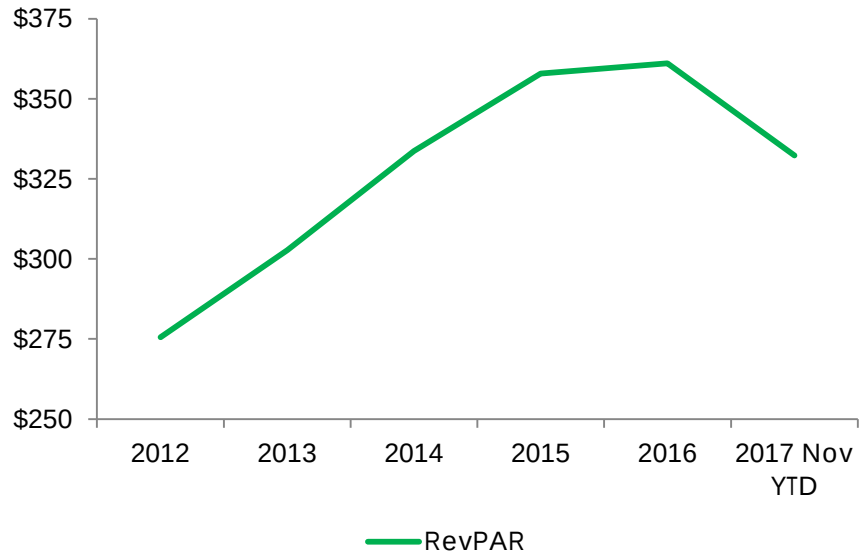
1. Cap rate is based on purchase price
2. NOI yield based on gross book value
3. 2017 represents TTM NOI Yield as of Q3

Financial Highlights – Pier House Resort Continued

EBITDA Margin Has Increased Since Acquisition



RevPAR Has Increased Since Acquisition



- EBITDA margins have increased from 29.6% to 43.5% (Nov 2017 YTD)
- RevPAR has increased from $275 to $332 (Nov 2017 YTD)

Note: RevPAR was negatively affected by Hurricane Irma in 2017

Upcoming Renovations

Project Description	Renovation Timeline	Renovation Budget
• Garden building renovation (18 rooms)	8/31/ 2018 – 9/20/2018	$ 950,000
• Presidential Suite renovation	8/31/ 2018 – 10/15/2018	$ 80,000
• Spa building guestrooms (22 rooms)	8/31/ 2018 – 9/30/2018	$ 772,000



Property Photography



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Irma Impact

All Ashford Prime hotels have comprehensive property, casualty, flood and business interruption insurance.



About $2.0MM – $3.0MM of property damage

Approximately 40 rooms impacted by hurricane Irma, most were quickly restored

Moderate damage to boardwalk and beach

Presidential Suite sustained water damage;
- **seized opportunity to redesign & remodel**
- **Out of service temporarily to facilitate and drive RevPAR increase**

Hotel never closed and worked closely with sister property La Concha to house guests and quickly remediate damage



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