

HERSHA

Investor Presentation

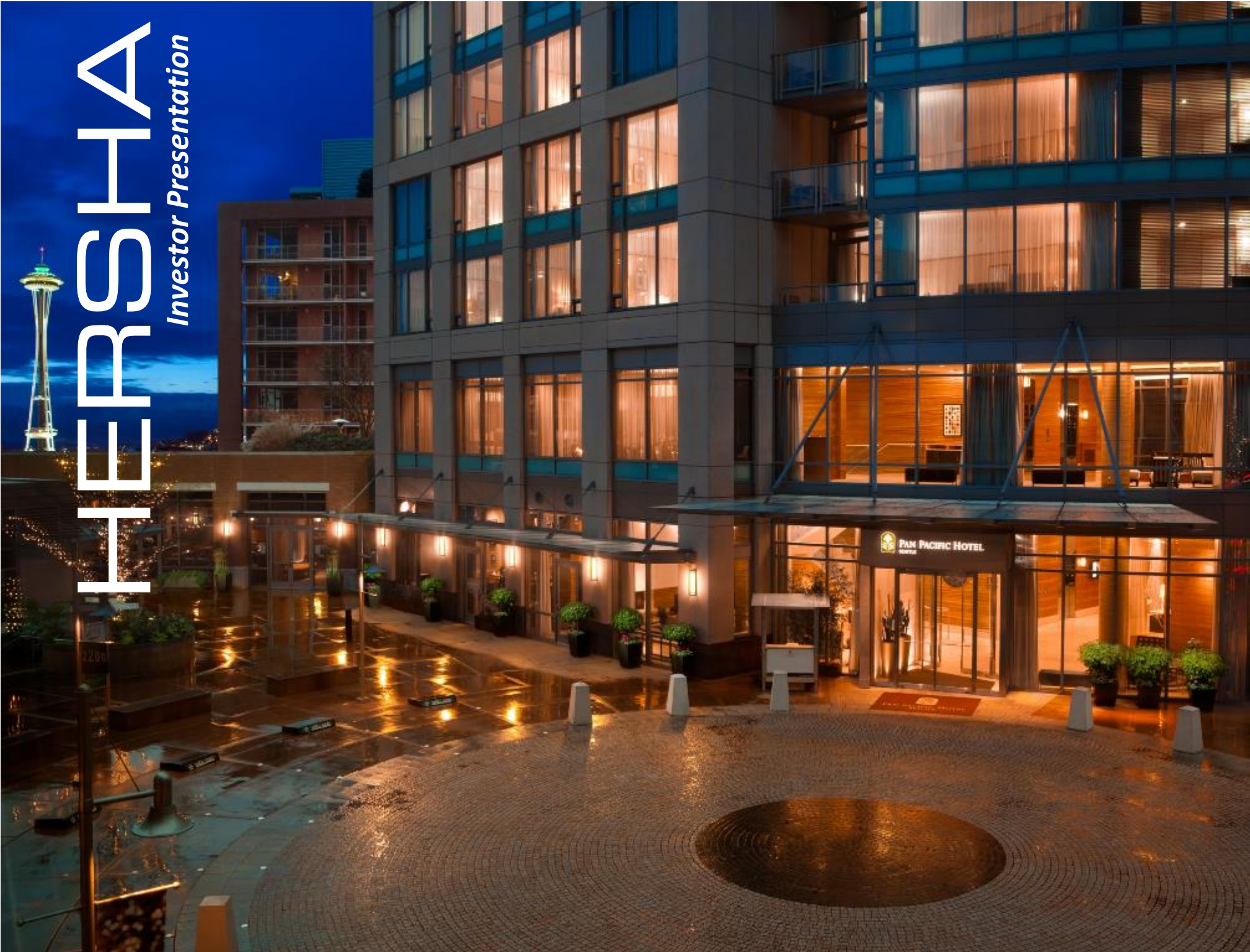


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Hersha Today

- HT owns 49 high quality, rooms-oriented, transient hotels in Boston, New York, Philadelphia, Washington, DC, Miami, and the West Coast
- HT's portfolio of recently built hotels reflects current tastes and preferences, and is positioned to generate significant free cash flow growth in the coming years

**High Absolute
RevPAR and EBITDA
Per Key**

**Sector Leading Margins
and Cash Flow**

**Income Growth
and Dividend
Safety**

**Long-Term Residual
Real Estate
Appreciation**



The Envoy, Boston Seaport



Hilton Garden Inn M Street



**The Cadillac Hotel &
Beach Club**



The Pan Pacific Hotel Seattle

Acquisitions Driving Outperformance

■ Upgraded Portfolio

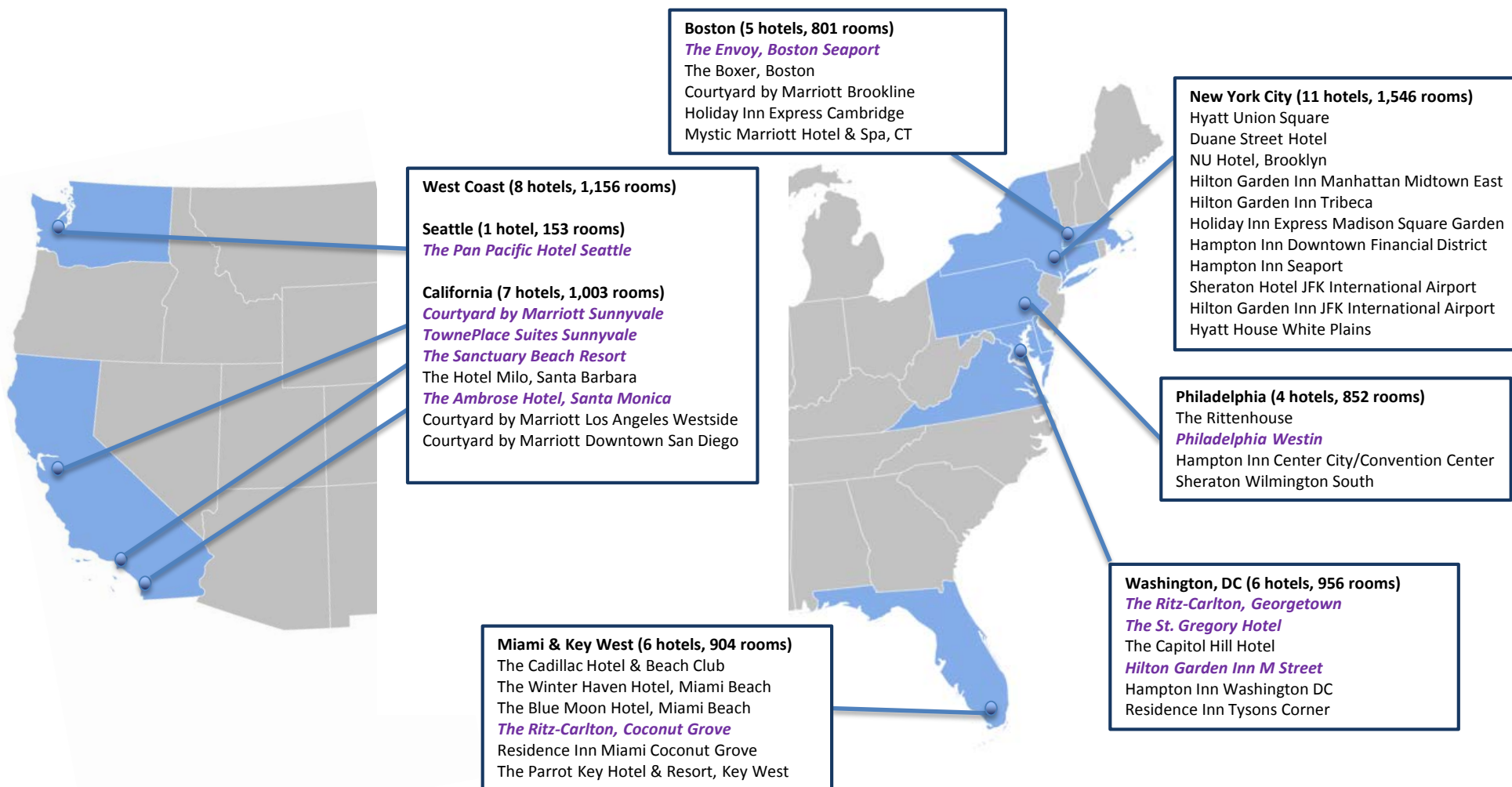
- Hersha outperformed in each of its core markets driven by newly acquired assets that are exhibiting strong fundamental growth
- Margins at these hotels were also strong and benefited from a combination of cost containment initiatives and innovative pricing and distribution strategies

Hotel	Acquisition Date	Q4'17 RevPAR Growth	Q4'17 EBITDA Margin	Q4'17 Margin Growth
<i>Philadelphia Westin</i>	<i>6/29/17</i>	<i>9.8%</i>	<i>36.6%</i>	<i>--</i>
<i>Pan Pacific Seattle</i>	<i>2/21/17</i>	<i>8.2%</i>	<i>15.6%</i>	<i>600 bps</i>
<i>Ritz-Carlton Coconut Grove</i>	<i>2/1/17</i>	<i>29.8%</i>	<i>16.6%</i>	<i>470 bps</i>
<i>The Ambrose Hotel</i>	<i>12/1/16</i>	<i>11.2%</i>	<i>40.8%</i>	<i>450 bps</i>
<i>Courtyard Sunnyvale</i>	<i>10/20/16</i>	<i>11.1%</i>	<i>42.1%</i>	<i>100 bps</i>
<i>The Envoy</i>	<i>7/21/16</i>	<i>18.7%</i>	<i>31.7%</i>	<i>1,090 bps</i>

■ 24-Month Capital Recycling Campaign Complete

- Sold 18 mature, stabilized hotels for ~\$870 million
- Successfully deferred \$270 million of taxable gains with \$816 million of accretive acquisitions
- Achieved a 14.3% unlevered IRR on the dispositions with an average hold period of 8.4 years

Bi-Coastal Clustered Portfolio in High Barrier Markets

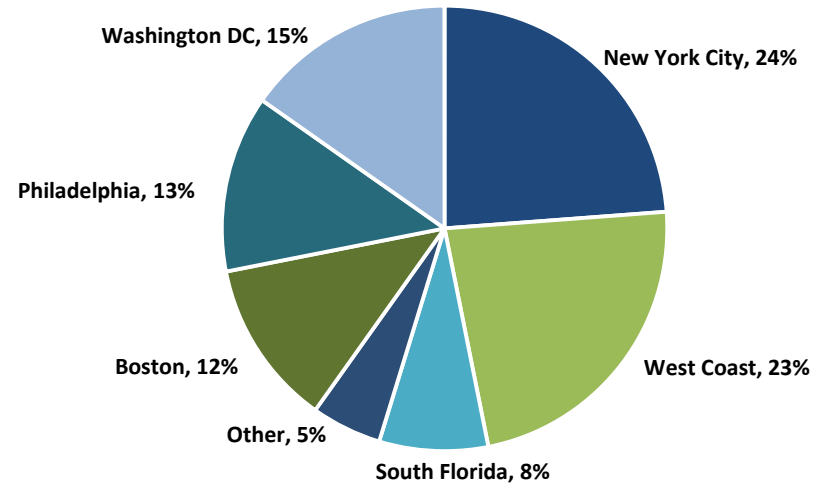


Balanced Portfolio

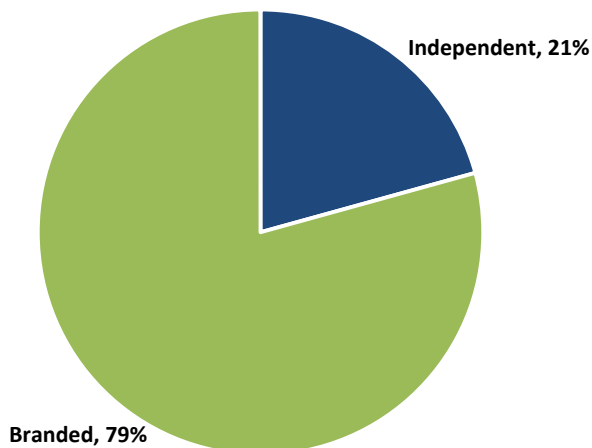
■ HT's differentiated portfolio provides:

- Exceptional locations and enduring real estate in the most valuable markets in the U.S.
- Unique combination of category-killing branded hotels and independent lifestyle hotels
- Segmented clusters in each market leverage local knowledge and scale/scope to outperform
- Young, purpose built portfolio appeals to travelers' current tastes and preferences

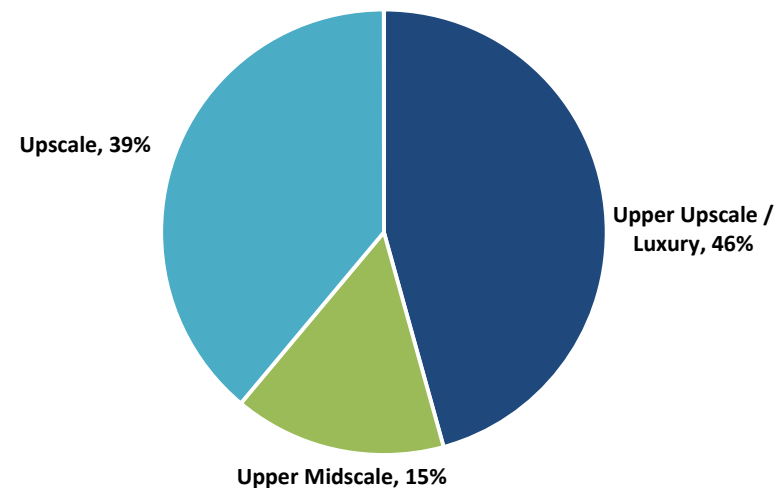
By Market



By Brand



By Segmentation



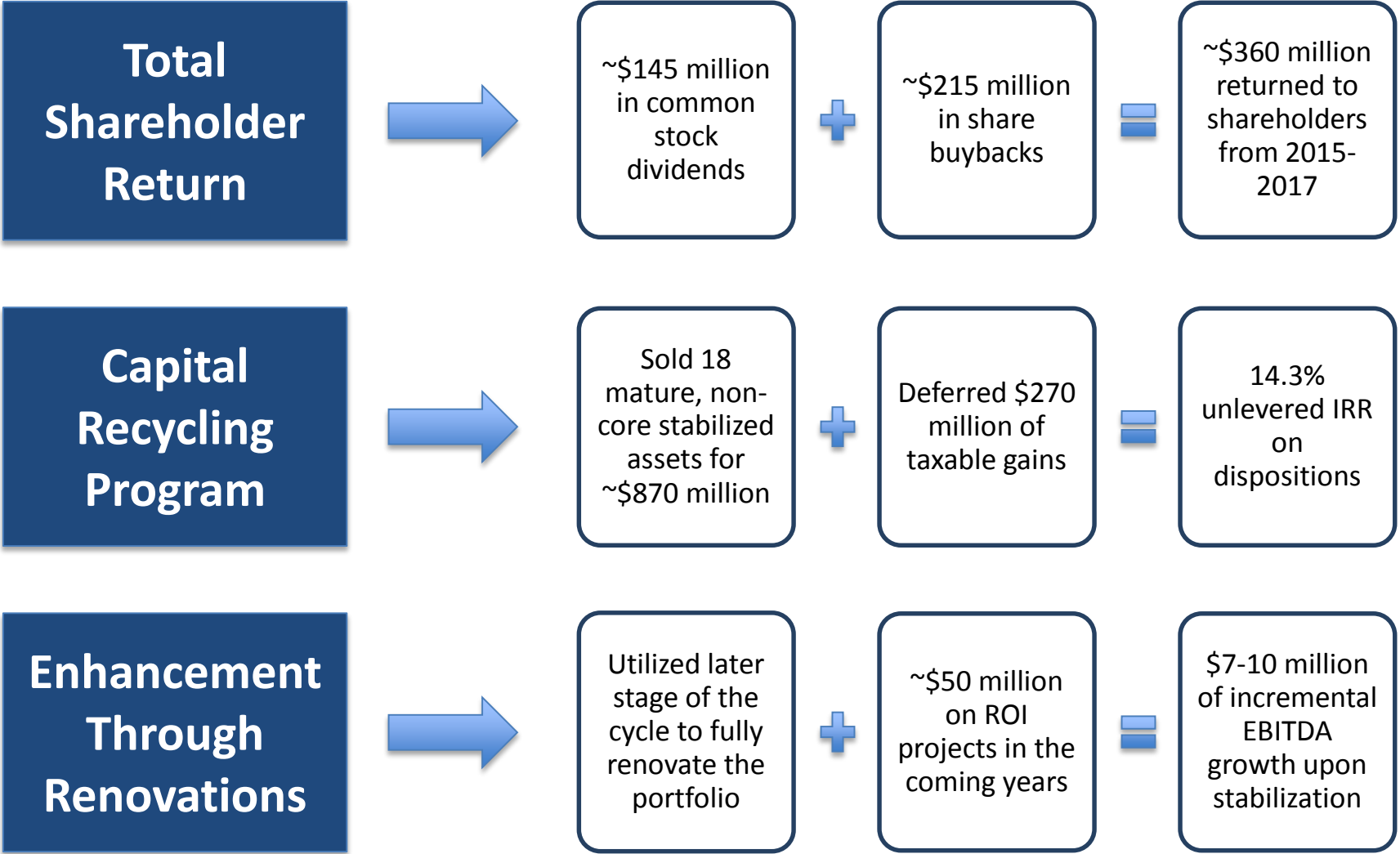
2018F EBITDA Contribution

Capital Allocation

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Creating Value in a Decelerating Environment (2015-2017)



Capital Allocation

- **Focused Acquisitions:** HT's purpose-driven asset recycling strategy has focused on acquiring younger, higher growth assets with significantly greater RevPAR and EBITDA per Key
- **Strategic Dispositions:** Since 2016, we have sold 18 assets for ~\$870 million at a 6.0% cap rate or 15.0x EBITDA multiple

	Acquisitions	Dispositions	Variance
RevPAR	\$190	\$154	24%
RevPAR Growth	5.0%	1.5%	3.3x
EBITDA Growth	14.9%	2.9%	5.1x
EBITDA Per Key	\$28,900	\$23,400	24%
Wtd. Avg. Cap Rate	Trailing: 5.8% Stabilized: 8.0-9.0%	6.0%	Trailing: (20) bps Stabilized: ~240 bps
Age	6	12	50% Younger

Acquisitions (\$, 000s)	
Hotel	Purchase Price
West Coast	
Pan Pacific Seattle, Seattle WA	\$79,000
The Ambrose Hotel, Santa Monica CA	\$47,500
Sanctuary Beach Resort, Marina CA	\$39,425
Courtyard Sunnyvale, Sunnyvale CA	\$75,000
TownePlace Suites, Sunnyvale CA	\$27,700
	\$268,625
Washington, DC	
Hilton Garden Inn M Street, Washington DC	\$106,500
St. Gregory Hotel, Washington DC	\$57,000
Ritz-Carlton Georgetown, Washington DC	\$50,000
	\$213,500
Philadelphia	
Philadelphia Westin, Philadelphia PA	\$135,000
Boston	
The Envoy, Seaport	\$112,500
Miami	
Ritz-Carlton Coconut Grove, Coconut Grove FL	\$36,000
JV Buyout	
Mystic Marriott Hotel & Spa, Groton CT	\$49,999
	\$815,624

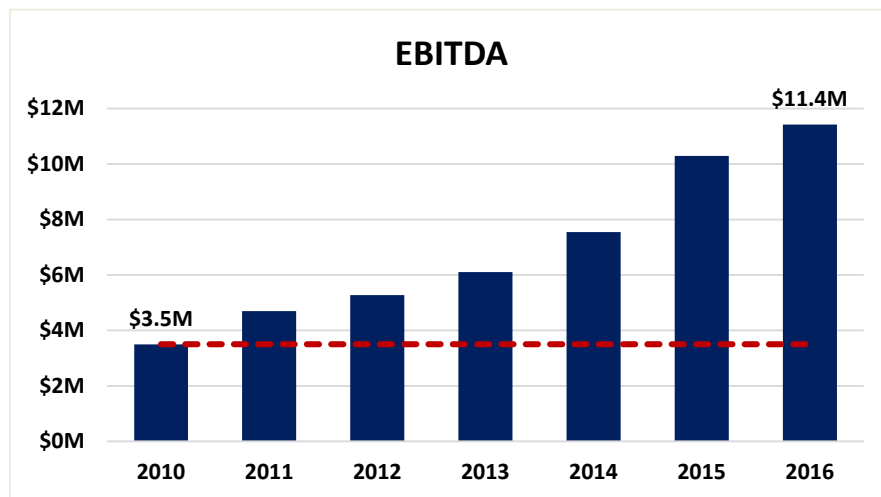
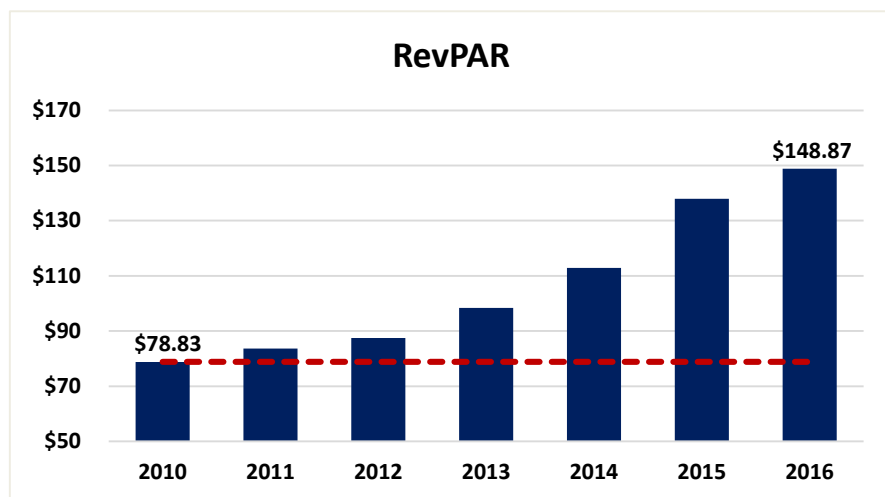
⁽¹⁾ For Acquisitions, RevPAR and EBITDA per Key reflect actual results in year of acquisition. For Dispositions, figures reflect the year prior to disposition, i.e. most recent full year of data

⁽²⁾ For Acquisitions, RevPAR and EBITDA Growth reflects CAGR to 2019. For Dispositions, growth reflects results in year prior to disposition

⁽³⁾ All figures reflect weighted growth averages

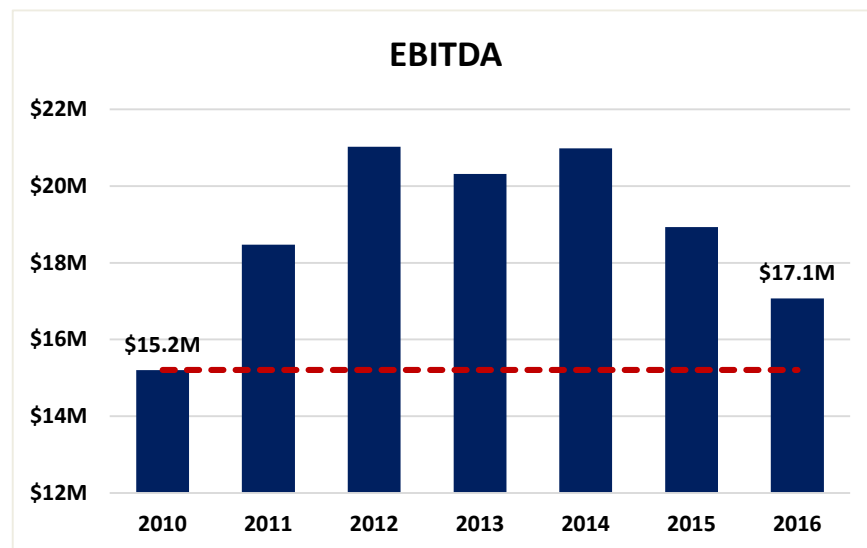
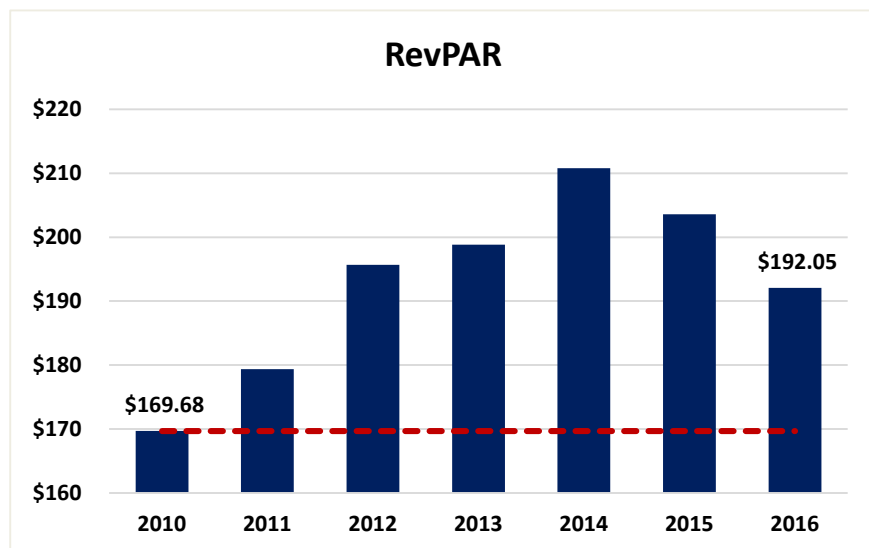
Disposition Case Study: Shidler West Coast

- In June 2017, HT sold three Hyatt House properties in non-core markets for a total of \$130.5 million; representing an 11.7% unlevered IRR
 - Properties sold: Hyatt House Pleasanton, Hyatt House Pleasant Hill, Hyatt House Scottsdale
- Since 2010, RevPAR at the three properties increased 88.8% representing an 11.2% CAGR, while EBITDA increased 225.9%; a 21.8% CAGR
- Exceptional performance at the California assets in recent years has provided the opportunity to sell well above prior peak with the 3-Year CAGR for RevPAR at 14.8% and EBITDA at 24.1%



Disposition Case Study: NYC Trio

- In April 2016, HT sold a 70% share in seven New York City assets including three adjacent properties located in the Times Square area which sold for \$526K per key; representing a 19.3% IRR
- Times Square properties sold: Candlewood Suites Times Square, Hampton Inn Times Square, and Holiday Inn Express Times Square
- HT acquired the three properties at \$285K per key and sold them for \$526K per key; a 13.0% CAGR



Acquisition Case Study: The Ambrose Hotel, Santa Monica

- HT acquired the 77-room Ambrose Hotel in December 2016 for \$47.5 million. The property was fully renovated in 2015
- The hotel features 585 SF of meeting space, fitness and business centers, and underground parking
- The property benefits from a solid base of local corporate demand drivers boasting the highest concentration of technology, advertising, media, and entertainment firms in West Los Angeles
- Operational changes since acquisition resulted in 7.0% RevPAR growth in 2017, 320 bps above the comp set and EBITDA margin growth of 210 bps
- Upon stabilization, RevPAR is forecasted to grow ~20% with EBITDA margins growing approximately 200 bps to 48%⁽¹⁾



⁽¹⁾ Based on consensus estimates or Company estimates

Acquisition Case Study: The Envoy, Boston Seaport

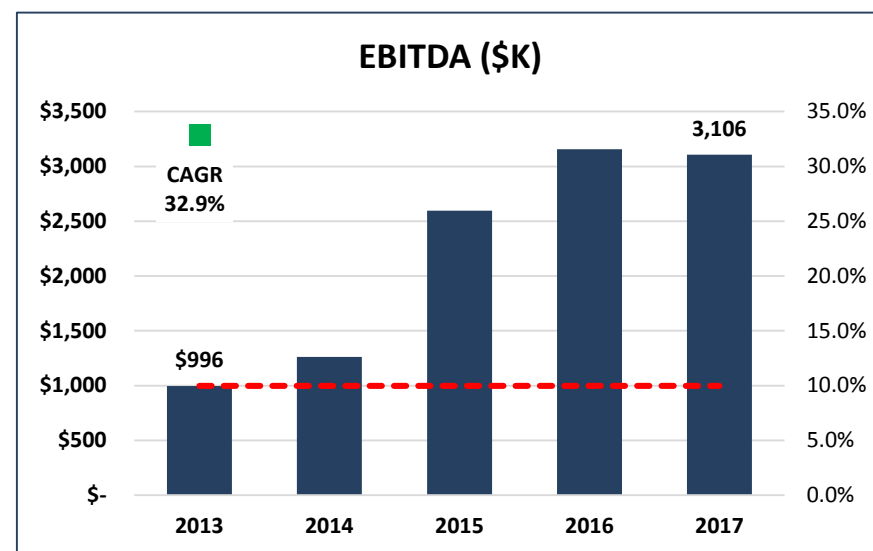
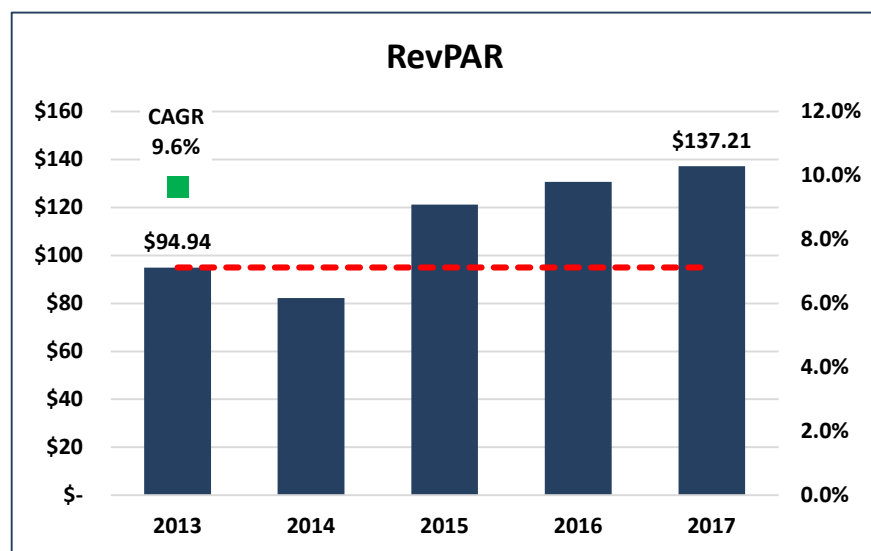
- HT acquired the 136-room Envoy, Boston Seaport for \$112.5 million
- The newly built AAA Four Diamond rated hotel is located in the Seaport, the fastest growing district in Boston, in close proximity to corporate demand generators including GE, Reebok, Vertex Pharmaceuticals and Amazon
- HT has been implementing more proactive revenue management and e-commerce strategies resulting in 8.1% 2017 RevPAR growth, nearly 500 bps higher than the comp set
- Upon stabilization, RevPAR is forecasted to grow ~23% with EBITDA margins growing approximately 380 bps to 36%⁽¹⁾
- The Lookout Rooftop & Bar, noted for one of the most coveted views of the Boston skyline, has driven profitability through the attraction of both hotel guests and locals



⁽¹⁾ Based on consensus estimates or Company estimates

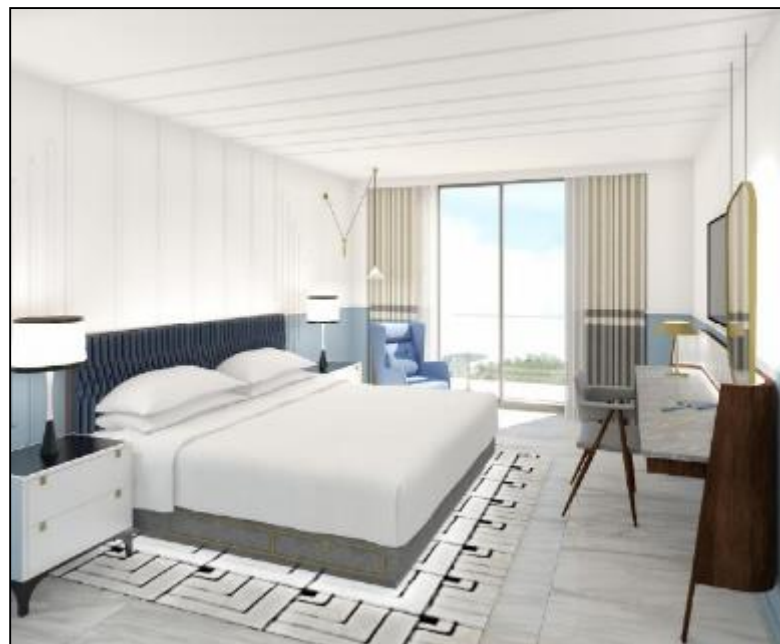
Acquisition Case Study: Residence Inn Coconut Grove

- HT acquired the 140-room Residence Inn Coconut Grove in June 2013 for \$21.8 million.
- The property was fully renovated in 2015 for \$10.8 million
- Hersha's current unlevered yield on cost approximates 10%
- The property is in close proximity to significant demand generators including Cocowalk, Coconut Grove Waterfront and Biscayne Bay
- The property fully reopened 2 weeks after Hurricane Irma. Post-storm business should yield continued compression nights and increased occupancy during the peak travel season to South Florida



Autograph Conversion: Cadillac Miami Beach

- The Courtyard Miami is undergoing a \$25 million renovation in the 263-room Cadillac Tower and 93-room Ocean Tower built in 2014
- Conversion to an Autograph Collection hotel is expected to result in 25% to 30% ADR growth and a resort fee to drive 300 bps EBITDA growth as the Miami market recovers⁽¹⁾
- Guestrooms, lobby, and meeting spaces will be updated and the hotel will bring in a new Italian, farm-to-table restaurant tenant
- Projected 22%-26% ROI on incremental EBITDA of \$4.0 to \$4.5 million upon stabilization



⁽¹⁾ Based on consensus estimates or Company estimates



2017 Portfolio Acquisitions

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The Philadelphia Westin

- Acquired at a trailing LTM cap rate of 7.8%, the Philadelphia Westin is immediately accretive to our portfolio
- The hotel exceeded our 2017 consolidated portfolio average EBITDA margins by 270 bps
- The Philadelphia Westin occupies an A+ location, in close proximity to all of Center City's demand generators including the new Comcast Innovation Tower, expected to add 2,800 jobs, the Pennsylvania Convention Center, the area's largest hospitals, and University City
- The Philadelphia Westin is the only Marriott hotel in the immediate submarket in Center City
- From 2016 to 2021, hotel supply in Philadelphia is forecasted to grow at a 2.9% CAGR with the majority of openings expected late 2019⁽¹⁾



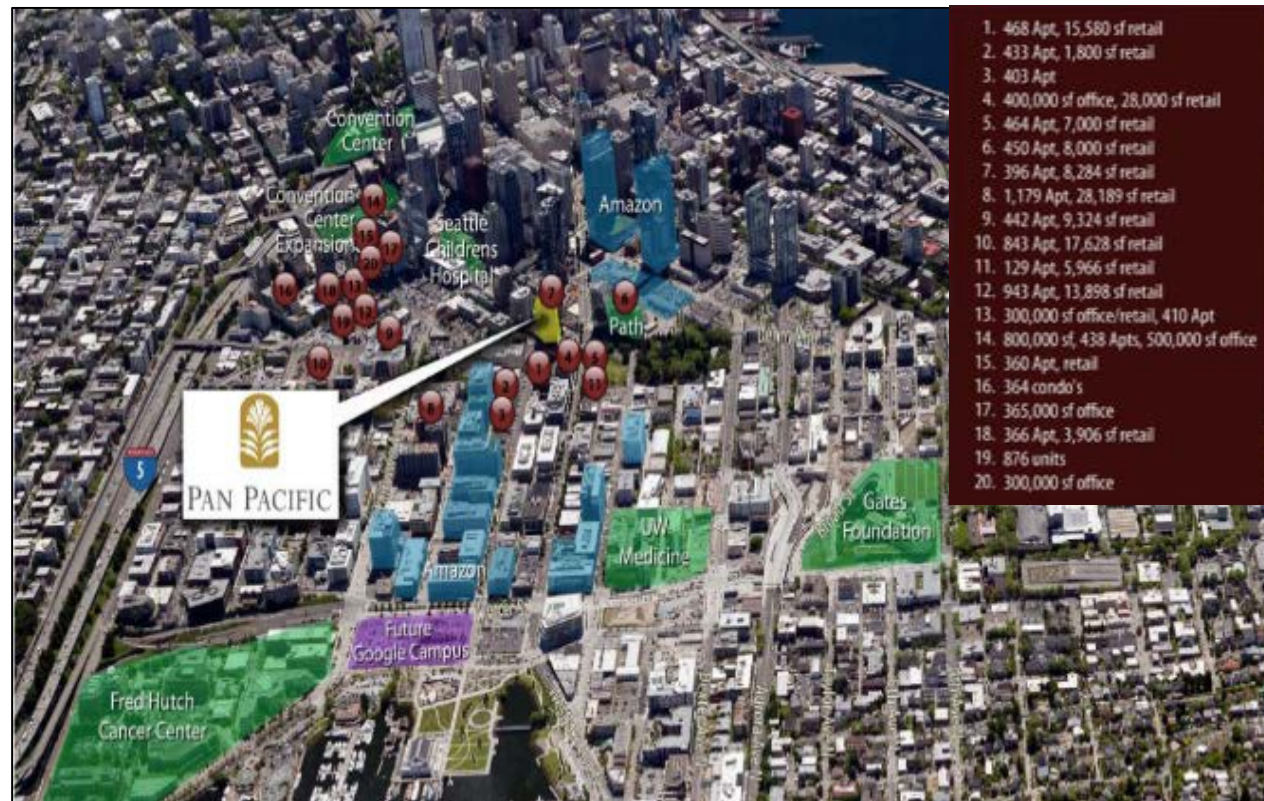
⁽¹⁾ HT internal estimates per September 2017 site visits

The Pan Pacific Hotel Seattle

- The Pan Pacific is located at the epicenter of Seattle's explosive growth in South Lake Union, home of Amazon's headquarters and newly committed campuses from Facebook and Google
- Seattle's employment growth is among the highest in the nation, and the South Lake Union submarket in particular boasts ~5 MSF of commercial space under construction
- ~2,500 additional keys are anticipated in Seattle by 2019, only 9% of which are in South Lake Union with the majority of hotels being built closer to downtown

- HT has implemented a rate oriented revenue management strategy compressing with locally negotiated corporate rates and capturing the high ADRs of BAR and Consortia guest

- In 2017, the Pan Pacific saw 11.7% EBITDA margin growth and 14.3% RevPAR growth, 500 bps above the comp set



The Ritz-Carlton, Coconut Grove

- Acquired the AAA Four-Diamond hotel for \$36.0 million or \$313K per key. The Ritz-Carlton is adjacent to the HT-owned Residence Inn Coconut Grove
- Post renovation basis well below \$400K per key
- Expecting an unlevered yield of 8.0% to 8.5% upon stabilization with a similar business plan as HT's luxury execution at the Rittenhouse Hotel in Philadelphia
- Reinventing the restaurant with a 3rd party operator and creating a separate destination cocktail club



Ritz-Carlton Coconut Grove Comparable Sales (Dec 2013 - Present)

Date	Property Name	City	State	Keys	Price	Per Key	Buyer
Feb-17	Ritz-Carlton Coconut Grove	Miami	FL	115	\$36,000,000	\$313,043	HT
Mar-16	Confidante Hotel (fmr Thompson)	Miami Beach	FL	380	\$235,000,000	\$618,421	Hyatt Hotels
Jul-15	Ritz-Carlton (70%)	Fort Lauderdale	FL	166	\$123,394,286	\$743,339	Carey Watermark Investors
Jun-15	Ritz-Carlton (60%)	Key Biscayne	FL	302	\$325,000,000	\$1,076,159	Carey Watermark Investors
Jun-15	SLS South Beach	Miami Beach	FL	140	\$125,000,000	\$892,857	GoldenPeaks Capital
Mar-15	Tribute Royal Palm South Beach	Miami Beach	FL	393	\$278,000,000	\$707,379	Chesapeake Lodging Trust
Feb-15	The Setai, Miami Beach	Miami Beach	FL	120	\$90,000,000	\$750,000	Nakash Holdings
Feb-15	The Miami Beach EDITION	Miami Beach	FL	294	\$230,000,000	\$782,313	ADIA

Luxury Hotels in Bold

HT Markets

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Hurricane Irma Update

- HT's South Florida portfolio contains six hotels, four of which opened shortly after Hurricane Irma and have experienced a boost in property operations over that period. At the Parrot Key Hotel & Resort and Cadillac Hotel & Beach Club we remain focused on planned ROI-generating renovations

Parrot Key Hotel & Resort, Key West

- Water penetration requiring remediation took the property offline and we have accelerated planned renovations to repair and enhance the hotel with an anticipated reopening during Second Quarter 2018
- The majority of the renovation will be covered by insurance proceeds
- Updates to the Parrot Key include:
 - Upgrade the lobby, pool bar and restaurant
 - Renovate all bathrooms
 - Replace flooring, case goods, fixtures and art work
 - Repair landscaping and exterior damage

The Cadillac Hotel & Beach Club, Miami Beach

- We have commenced the conversion of the Courtyard Miami Beach to The Cadillac an Autograph Collection Hotel as previously planned
- Full renovation of the bathrooms, guest rooms and corridors are in progress at the Cadillac Tower
- Public-space conversion plans include remodeling the lobby, business center, doubling the meeting space, renovating the retail space and bringing in a new F&B operator for the restaurant and bar
- Exterior renovations include landscaping, FF&E, lighting and a new poolside restaurant and bar
- The property will remain closed until expected completion of the renovation in Spring 2018

South Florida

South Florida Portfolio

- 1 The Ritz-Carlton, Coconut Grove
- 2 Residence Inn Miami Coconut Grove
- 3 The Blue Moon Hotel, Miami Beach
- 4 The Winter Haven Hotel, Miami Beach
- 5 The Cadillac Hotel & Beach Club
- 6 The Parrot Key Hotel & Resort, Key West

- Similar to Q4'17, 2018 should benefit from closed inventory in South Florida, Puerto Rico, the Virgin Islands, and other destinations in the Caribbean that may be offline for 12-24 months
- The current dislocation in South Florida allows us to focus on meaningful capital projects at the Cadillac Hotel & Beach Club, the Parrot Key Hotel & Resort and the Ritz-Carlton Coconut Grove
- The Miami Beach convention center is anticipated to re-open by late 2018, and less new supply and a weakening U.S. Dollar set up a robust recovery in 2019
- For Q4 2017, our South Florida portfolio generated 22.5% RevPAR growth, 620 basis points higher than the market

The Blue Moon Hotel, Miami Beach



The Parrot Key Hotel & Resort, Key West



Manhattan

- Demand for the city is on the rise with forecasted growth for 2018 and 2019 at 6.2% and 5.1%, respectively⁽¹⁾
- Looking back to pre-recession levels for Manhattan, when demand outpaced supply on an annual basis, it led to significant RevPAR growth for the market
- HT's young, purpose built hotels are positioned to outperform given superior locations across diverse submarkets, in addition to the inherent demand characteristic of the Manhattan market
- For Q4 2017, our Manhattan portfolio grew occupancy to 95% and achieved RevPAR ADR growth of 1.6%, outperforming the market

Manhattan Portfolio

- 1 Hyatt Union Square
- 2 Duane Street Hotel
- 3 Hilton Garden Inn Manhattan Midtown East
- 4 Hilton Garden Inn Tribeca
- 5 Holiday Inn Express Madison Square Garden
- 6 Hampton Inn Downtown Financial District
- 7 Hampton Inn Seaport

Duane Street Hotel



Hyatt Union Square



⁽¹⁾ STR

Manhattan Demand – Diversified and Expanding

■ **Increased Demand:** NYC demand for hotel rooms has grown at a 5-year average of 4.0% since 2013⁽¹⁾

■ Visitation to New York City is estimated to have reached a record 59.7 million in 2016, and is expected to grow at a 2.4% CAGR to 67.2 million by 2021⁽²⁾

■ Additional demand generators include Hudson Yards, the largest private real estate development in the U.S., the continued transformation of Lower Manhattan, and the expansion of other Midtown corridors

■ **Increased Capacity:** From 2016 – 2018, the New York City Building Congress anticipates \$127.5 Billion in Total Construction Spending, driven by strong demand for new residences and offices, as well as a rebound in government infrastructure investment

■ Manhattan currently has 13.6 MSF of office space under construction⁽⁴⁾

■ LaGuardia Airport's \$4 billion expansion scheduled for completion in 2021 is expected to drive passenger growth of 23% within the next 5 years, equivalent to 5.5 million travelers⁽³⁾

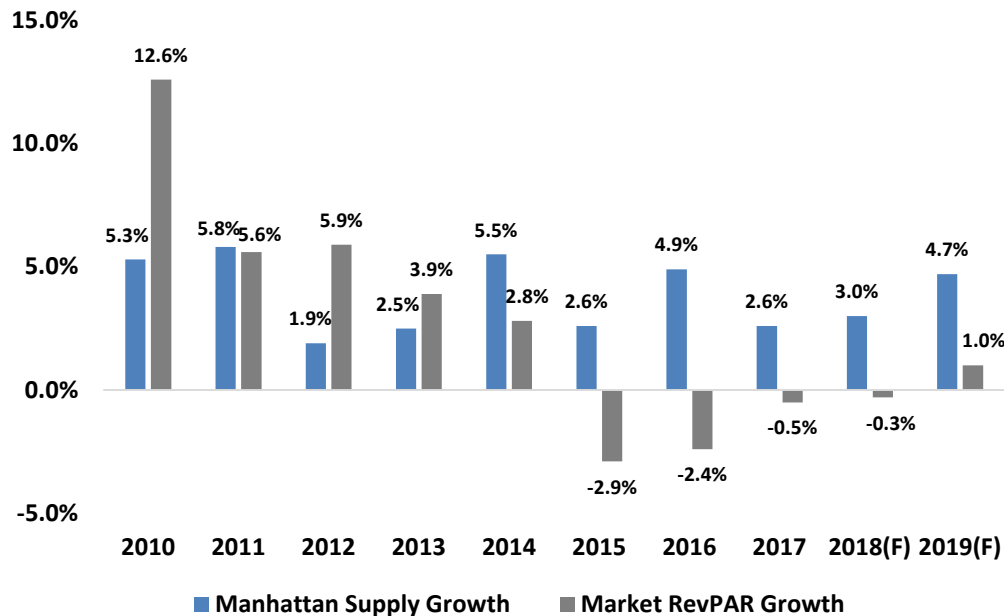
■ Additional expansions planned in Manhattan to drive visitation with \$1.6 billion allocated to renovating Moynihan Station and \$1.2 billion allocated to the Javits Convention Center expansion

Manhattan Supply – Expect Delays

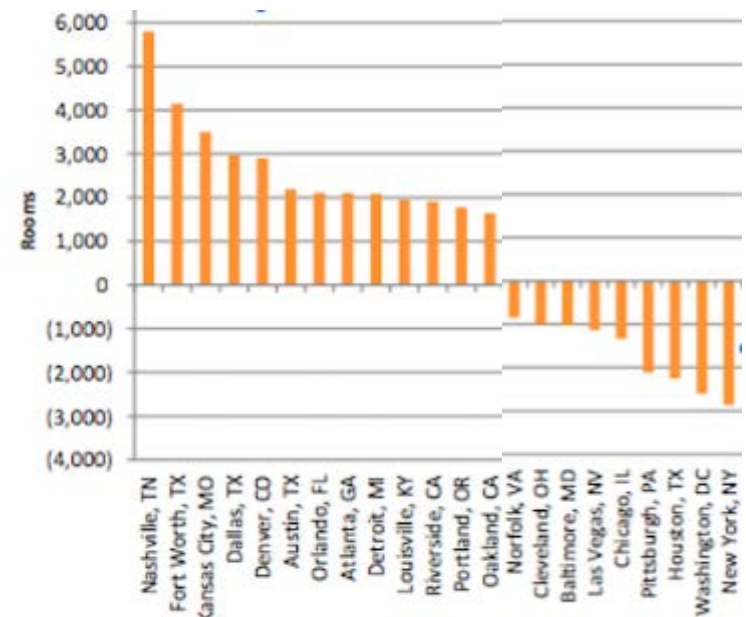
Expect new supply deliveries in Manhattan to be lower than projected

- Manhattan experienced supply growth of 2.6% in 2017, and has averaged 3.9% growth from 2010 – 2017⁽¹⁾
 - Manhattan RevPAR has averaged 3.1% growth over the same period
- HT estimates new supply growth of 3.0% in 2018 and 4.7% in 2019. HT forecasts new supply to return to ~2% in 2020, in-line with historical levels
- Over the last 12 months, the NYC supply pipeline (as measured in rooms) has decreased by 2,900 rooms, the largest decline of U.S. major markets⁽²⁾

Manhattan Supply and RevPAR Growth



New Supply By Market: Pipeline Change Last 12 Months ⁽²⁾



⁽¹⁾ STR; 2018-2019(F) reflects HT's internal estimates per December 2017 site visits; 2018 -2019(F) Manhattan RevPAR growth per CBRE February 2018; (2) Raymond James

West Coast

West Coast Portfolio

- 1 The Pan Pacific Hotel Seattle
- 2 The Ambrose Hotel, Santa Monica
- 3 The Sanctuary Beach Resort
- 4 The Hotel Milo, Santa Barbara
- 5 Courtyard by Marriott Sunnyvale
- 6 TownePlace Suites Sunnyvale
- 7 Courtyard by Marriott Los Angeles Westside
- 8 Courtyard by Marriott Downtown San Diego

- Since 2011, HT has invested \$429 million, representing 29% of the Company's total acquisitions, on the West Coast
- Lodging fundamentals on the West Coast are expected to remain compelling during 2018, driven by strong demand growth, with new hotel supply constrained by the high cost of land, and the lengthy entitlement process
- In Sunnyvale, our operational advantage has driven strong EBITDA growth since our acquisitions. The Courtyard and TownePlace Suites each ended 2017 with approximately 50% EBITDA margins
- For Q4 2017, excluding our San Diego asset, our West Coast portfolio grew RevPAR by 7.1%, outperforming the market by 440 basis points

The Sanctuary Beach Resort



The Hotel Milo, Santa Barbara



Boston

Boston Portfolio

- 1 The Envoy, Boston Seaport
- 2 The Boxer, Boston
- 3 Courtyard by Marriott Brookline
- 4 Holiday Inn Express Cambridge
- 5 Mystic Marriott Hotel & Spa, CT

- HT's Boston cluster will continue to benefit from our A locations near such demand generators as Fenway Park, TD Garden and the Boston Seaport Innovation District

- We continue to benefit from ramp up at our Envoy Hotel, driving meaningful rate and margin. Since our acquisition in July 2016, EBITDA and RevPAR have increased more than 25% and 15%, respectively

- For Q4 2017, our Boston portfolio generated 10.4% RevPAR growth, 670 basis points higher than the market

The Boxer, Boston



The Envoy, Boston Seaport



Philadelphia

Philadelphia Portfolio

- 1 The Rittenhouse
- 2 The Philadelphia Westin
- 3 Hampton Inn Center City/Convention Center
- 4 Sheraton Wilmington South

Future pace is strong for Philadelphia and we expect high single-digit RevPAR growth as visitation to the city remains strong

The Pennsylvania Convention Center continues to benefit from a new operator and work rules, which previously restricted the city's growth in convention circles

Additionally, the city-wide convention calendar has 20 events already scheduled for 2019 including Biotechnology Industry Organization's International convention, which is expected to fill more than 27,000 room nights

For Q4 2017, our Philadelphia portfolio grew RevPAR by 9.8%, outperforming the market by 250 basis points

The Rittenhouse



The Philadelphia Westin



Washington, DC

Washington, DC Portfolio

- 1 Ritz-Carlton Georgetown
- 2 St. Gregory Hotel
- 3 Capitol Hill Hotel
- 4 Hilton Garden Inn M Street
- 5 Hampton Inn Washington, DC
- 6 Residence Inn Tysons Corner

■ In Q1 2018, the Washington, DC market will face a difficult comp with the Presidential Inauguration in 2016. However, there are signs of reacceleration in 2018 from increased activity on Capitol Hill, an increased defense budget and infrastructure spending

■ Since our acquisition in Q1'16, the Hilton Garden Inn M Street has seen RevPAR growth of nearly \$50

■ For Q4 2017, our urban Washington, DC portfolio achieved 5.3% RevPAR growth, 180 basis points above the market

The Ritz-Carlton, Georgetown



The St. Gregory Hotel



Financials and Sustainability

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Capitalization

■ Debt

- HT benefits from a well-diversified lender group of nearly 30 banks with primarily unsecured total borrowings
- Weighted average interest rate of 3.9% across all borrowings with an approximately 4.2 year life to maturity
- Only 10% of Maturities are CMBS loans
- 67% of debt is either fixed, capped or swapped

■ Preferred Equity

- 6.6% weighted average coupon

■ Common Dividend Secure

\$ Millions	Pro Forma Capitalization as of 12/31/2017
Share Price as of 2/20/2018	\$17.84
Common Shares + Units	43.0
Equity Market Capitalization	\$767.8
Mortgages & Notes Payable	361.5
Unsecured Term Loan	715.4
Line of Credit	16.1
Total Consolidated Debt	\$1,093.0
Preferred Stock Series C	75.0
Preferred Stock Series D	192.5
Preferred Stock Series E	100.0
Total Consolidated Debt + Preferred Equity	\$1,460.5
Consolidated Equity & Debt Capitalization	\$2,228.3
HT Pro Rata Share of Unconsolidated Joint Venture Debt	116.1
Total Capitalization	\$2,344.4
Cash & Cash Equivalents	17.9
Deposits	7.6
Total Enterprise Value (TEV)	\$2,318.8
Net Consolidated Debt / TEV	46.0%
Net Consolidated Debt + Pref / TEV	61.9%
Net Consolidated Debt / 2017E EBITDA^(*)	6.5x
Net Consolidated Debt + Pref / 2017E EBITDA^(*)	8.7x
2017 EBITDA / 2017 Interest Expense^(*)	3.9x

(*) EBITDA reflects consensus estimates or Company estimate. Net Consolidated Debt above = Consolidated Debt less Cash & Cash Equivalents and Deposits.

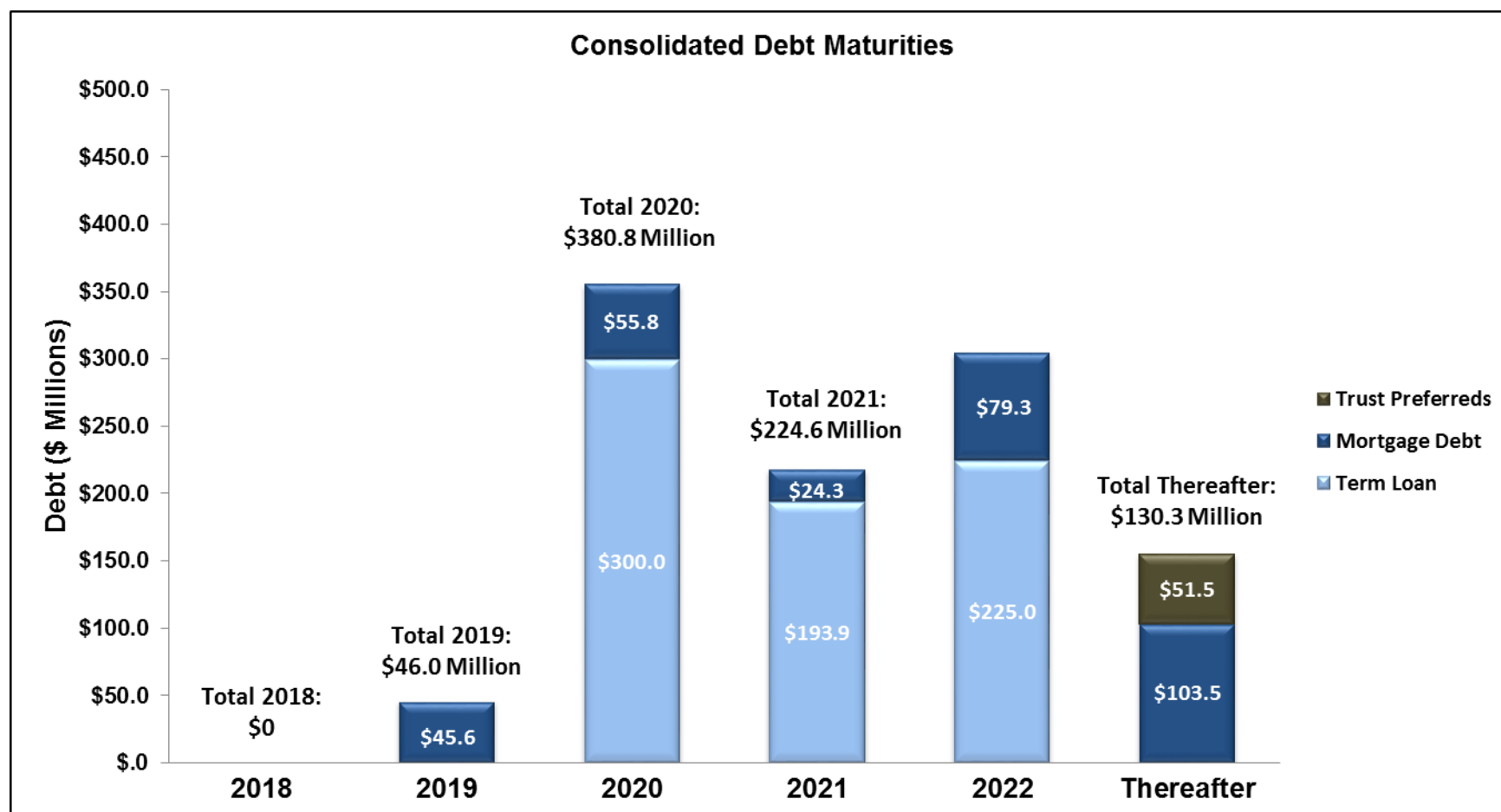
2018 Guidance

- The Company's 2018 Guidance includes Comparable Portfolio RevPAR Growth of 1.0% to 3.0%, and Adjusted EBITDA of \$159.0 million to \$167.0 million. Guidance accounts for approximately \$9 million of EBITDA loss for 2018 from renovations and the closure of the Cadillac Hotel & Beach Club and the Parrot Key Hotel & Resort

(\$'s in millions except per share amounts)	Q1'18 Outlook		2018 Outlook	
	Low	High	Low	High
Net income	\$18.9	\$19.9	\$21.0	\$29.0
Net income per share	\$0.47	\$0.49	\$0.51	\$0.71
Comparable Property RevPAR Growth	-2.0%	-1.0%	1.0%	3.0%
Comparable Property EBITDA Margin Growth	-300 bps	-240 bps	-50 bps	50 bps
Adjusted EBITDA	\$18.2	\$19.2	\$159.0	\$167.0
Adjusted FFO	-\$1.3	-\$0.3	\$82.0	\$90.0
Adjusted FFO per share	-\$0.03	-\$0.01	\$1.89	\$2.07

HT Debt Maturities

- The Company's recent refinancing efforts address 2017 and 2018 debt maturities, saving approximately \$7.0 million in interest expense on a full-year basis



* Excludes OID/OIP

** Assumes exercise of extensions

EarthView Sustainability



- Through EarthView, Hersha drives incremental value through energy efficiency investments with quantifiable returns and a focus on 18 to 24 month paybacks
- Implemented energy efficient lighting retrofits saving over \$800,000 annually in electricity costs
- Guestroom energy management systems installed recently have yielded 25% to 30% savings in heating and cooling costs, equivalent to nearly \$1 million annually
- In four of the last six years, Hersha was awarded NAREIT's Lodging & Resorts *Leader in the Light* award, honoring companies that have demonstrated superior sustainability practices

The Sanctuary Beach Resort



Energy Reduction

19%

*Per occupied room versus baseline
year of 2010*

Energy Efficiency

97%

*% of Hotels with energy efficient
lighting and laundry*

Global Real Estate Sustainability
Benchmark (GRESB) Score

89

*Ranks us in the top 4% of all
participants globally*

Forward Looking Statements

Certain matters within this presentation are discussed using “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statements. These forward-looking statements may include statements related to, among other things: the Company’s 2017 outlook for net income attributable to common shareholders, net income per weighted average common share and OP Units outstanding, Adjusted EBITDA, AFFO, AFFO per weighted average common share and OP Unit outstanding, consolidated and comparable RevPAR growth and consolidated and comparable Hotel EBITDA margin growth, economic and other assumptions underlying the Company’s 2017 outlook and assumptions regarding economic growth, labor markets, real estate values and the economic vibrancy of our target markets, the Company’s ability to grow operating cash flow, leverage rate-driven revenue growth, return capital to its shareholders, whether in the form of increased dividends or otherwise, the Company’s ability to match or outperform its competitors’ performance, the ability of the Company’s hotels to achieve stabilized or projected revenue consistent with our expectations, the stability of the lodging industry and the markets in which the Company’s hotel properties are located, the Company’s ability to generate internal and external growth, the Company’s ability to increase margins, including hotel EBITDA margins. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the Company’s current beliefs, expectations and assumptions regarding the future of its business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company’s control. The Company’s actual results and financial condition may differ materially from those indicated in the forward-looking statements contained in this press release. Therefore, you should not rely on any of these forward-looking statements. For a description of factors that may cause the Company’s actual results or performance to differ from its forward-looking statements, please review the information under the heading “Risk Factors” included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 filed by the Company with the Securities and Exchange Commission (“SEC”) and other documents filed by the Company with the SEC from time to time.



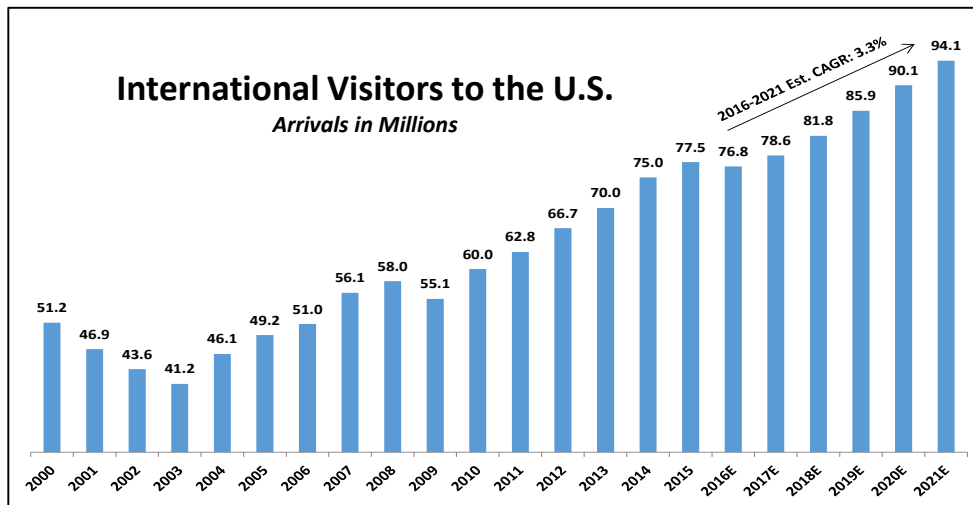
Appendix

HERSHA

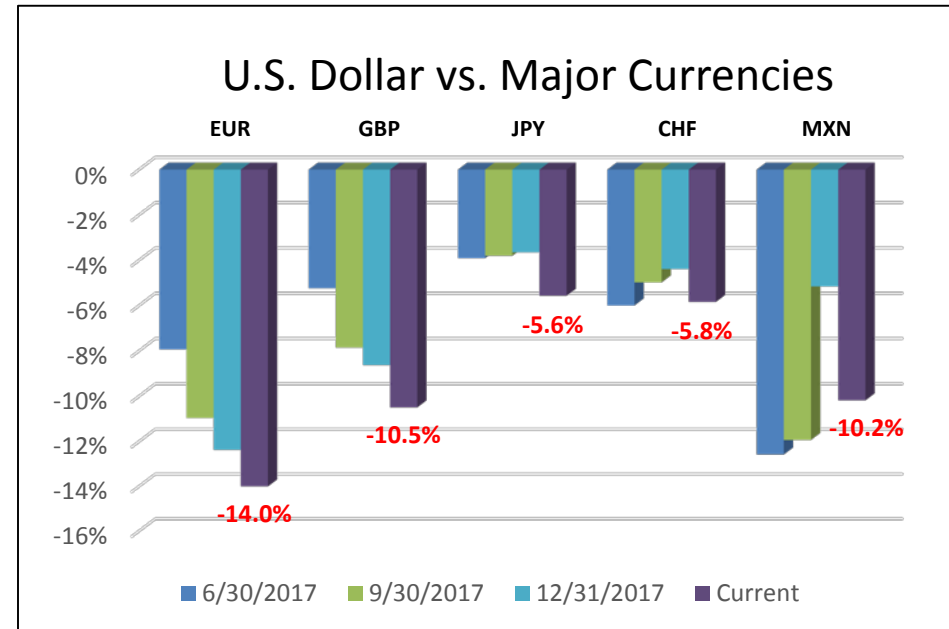
International Demand

Tailwinds for U.S. Lodging

- Five years ago, China was the third largest source market for outbound travel, behind the U.S. and Germany. Today, China is the largest source market for outbound travel ⁽¹⁾
- In 2016, more than 100 million Chinese tourists visited global gateway cities⁽²⁾. At the 2017 Davos Summit, Chinese President Xi Jinping forecasted that number will climb to over 700 million by 2022⁽¹⁾
- The wealthy Chinese family averages 5.9 international trips per year. The number of Chinese millionaires is expected to surpass that of any other nation by 2018⁽³⁾



Weakening Dollar



- The U.S. Dollar has weakened significantly year-to-date against all major currencies including the Euro, Pound, Japanese Yen, Swiss Franc, and Mexican Peso ⁽⁴⁾
- As a result, HT anticipates International demand could increase in key markets while also relieving recent pricing pressure seen by a strong Dollar during the first half of 2017

⁽¹⁾ Marriott International's Second Quarter 2017 Earnings Call; ⁽²⁾ Forbes; ⁽³⁾ McKinsey Research; ⁽⁴⁾ Bloomberg

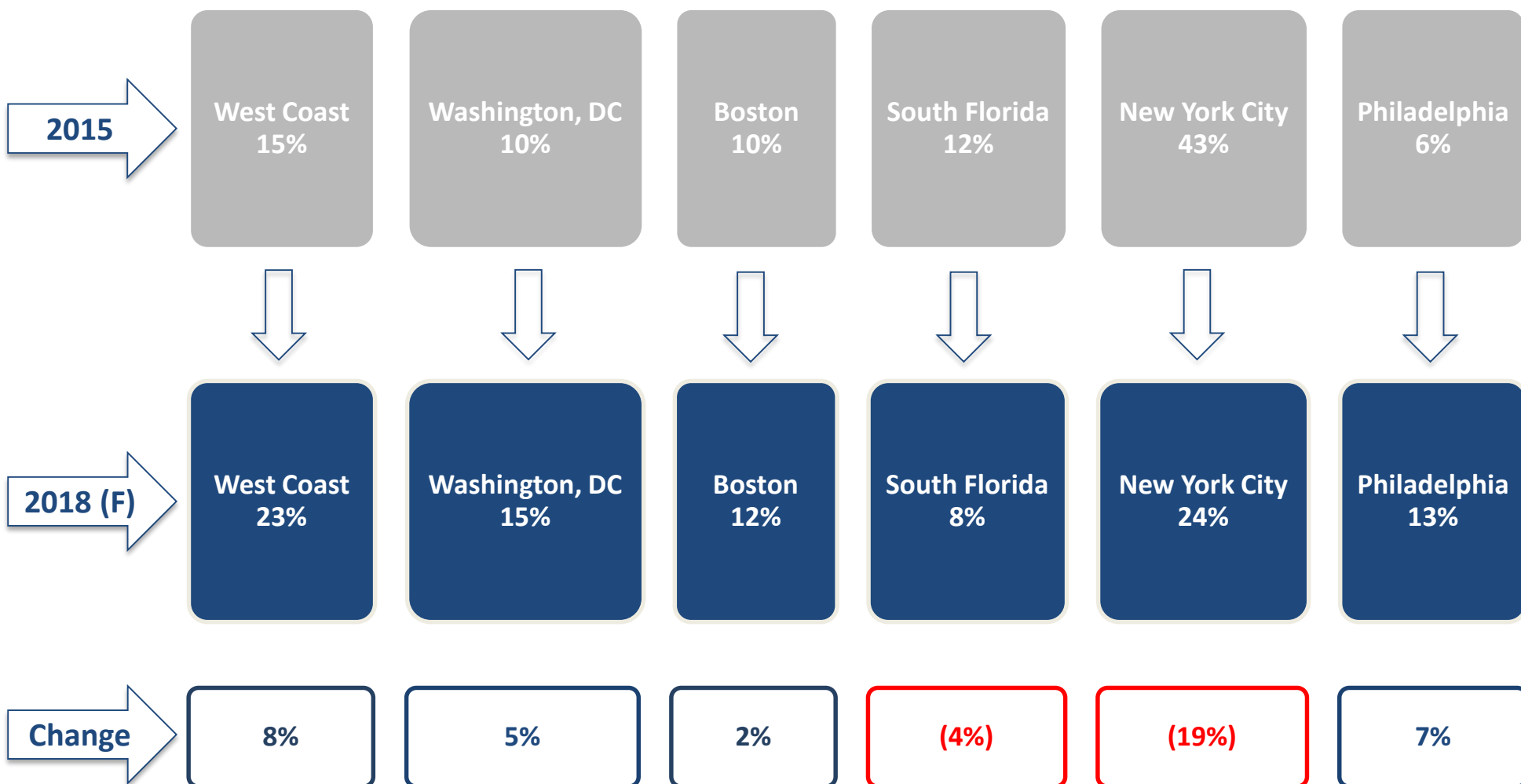
Airbnb: Increasing Enforcement Momentum

- Airbnb no longer has free reign to operate without oversight in major urban centers, and should not be viewed as the material disruptor feared by industry specialists
- In San Francisco, a top-5 U.S. Airbnb market, the number of Airbnb listings dropped by half (11,000 to ~5,500) from summer 2017 to January 2018 as a result of newly enacted registration requirements on short-term rentals
 - The city and short term rental sites Airbnb and Homeaway reached an agreement in May 2017 requiring those with listings on those sites advertising for stays of less than 30 days to obtain a Business Registration Certificate from the Office of Treasurer & Tax Collector and to obtain a host certificate from the Office of Short Term Rentals⁽¹⁾
- New York, Miami, Santa Monica, Boston, Seattle and Philadelphia have also enacted legislation to heavily tax or eliminate illegal listings on home-sharing sites with a focus on eliminating commercial landlords
 - Approximately 50% of all listings on Airbnb come from commercial landlords⁽²⁾
 - The City of New York plans to spend \$2.9 million to expand a citywide crackdown on illegal short-term rentals over the next two years, adding 16 staffers to the 32-member team devoted to inspecting and fining landlords
- Airbnb headwinds to lodging appear to be moderating as landlords, city officials and Airbnb increase vigilance and regulations take effect
 - Since 2015, Airbnb removed more than 4,000 listings in New York City listed by commercial operators, or hosts with multiple listings, representing over 10% of available listings⁽³⁾
 - Entire home listings in New York City on Airbnb declined 13% from December 2015 to December 2016⁽⁴⁾

⁽¹⁾ Wells Fargo ⁽²⁾ Canaccord Genuity Research December 2016; ⁽³⁾ Airbnb January 2017; Crain's April 2017; ⁽⁴⁾ BAML and Goldman Sachs Research; Airdna Data January 2017

Portfolio Diversification

- HT's consolidated portfolio has shown a shift in EBITDA contribution to create a more diverse portfolio mix



Strategic Dispositions

Dispositions (\$, 000s)			
Hotel	Sale Price	Average Hold Time ⁽¹⁾	Gain/Loss
Cindat Hotel Portfolio (7), New York NY	\$580,200	7.2 years	\$273,110
Holiday Inn Express, Chester NY	\$8,400	10.9 years	\$1,300
Hyatt House, Gaithersburg MD	\$19,000	11.1 years	\$1,900
Hyatt House, Pleasanton CA	\$49,500	10.5 years	\$29,500
Hyatt House, Pleasant Hill CA	\$45,000	10.5 years	\$18,500
Hyatt House, Scottsdale AZ	\$36,000	10.5 years	\$9,500
Residence Inn, Greenbelt MD	\$35,000	12.5 years	\$15,500
Courtyard, Alexandria VA	\$27,000	10.3 years	(\$8,000)
Residence Inn, Framingham MA	\$25,000	10.3 years	\$6,000
Residence Inn, Norwood MA	\$22,000	12.6 years	\$6,787
Hyatt House, King of Prussia PA	\$13,000	5.7 years	\$588
Hawthorn Suites, Franklin MA	\$8,900	10.4 years	(\$2,445)
Hartford JV Portfolio (2)	\$8,000	11.0 years	\$16,239 ⁽²⁾
	\$869,000	8.4 years	\$368,479

⁽¹⁾ Weighted average hold time based on sale price ⁽²⁾ Gain on Hartford JV reflects recognized gains from redemption of JV interest