

Nontraded REIT Industry Review: Third Quarter 2014



Apple Hospitality REIT, Inc.

Total Assets.....	\$3,807.2 Million
Real Estate Assets	\$3,692.3 Million
Cash	\$0.0 Million
Securities	\$0.0 Million
Other	\$114.9 Million



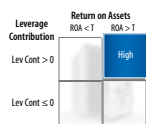
Cash to Total Assets Ratio:	0.0%
Asset Type:	Hospitality
Number of Properties:	188
Square Feet / Units / Rooms / Acres:	23,489 Rooms
Occupancy:	79.0%
Weighted Average Lease Term Remaining:	Not Applicable
LifeStage:	Liquidating
Investment Style:	Core
Weighted Average Shares Outstanding:	373,821,000

Initial Offering Date:April 25, 2008
 Offering Close Date: December 9, 2010
 Current Price per Share:\$10.10
 Reinvestment Price per Share: Suspended
 Cumulative Capital Raised during Offering (including DRP):.....\$1,994.3 Million



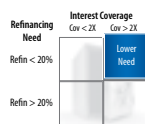
Performance Profiles

Operating Performance



The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



Interest coverage ratio exceeds the 2.0X benchmark and the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, and has sufficient earnings to cover interest expense.

Cumulative MFFO Payout



The REIT has not achieved a level of MFFO in excess of cash distributions since inception and the latest 12-month results indicate cash distributions exceed MFFO, a trend which must be eventually reversed for distribution sustainability.

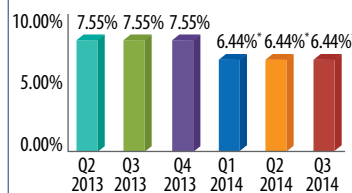
Summary

The REIT's 12-month return on assets was 9.03%, well above the 10-Year Treasury Yield, and it has a positive leverage contribution with a debt ratio of ratio 18.3% and 4.1% average cost of debt. The REIT's interest coverage ratio was 5.4X for the last 12 months, and 14% of the REIT's debt matures in two years, with 10.8% at variable rates, suggesting modest need for refinancing. The REIT's MFFO payout ratio was 98% of MFFO over the past 12 months, but 141% of estimated MFFO since inception.

Contact Information

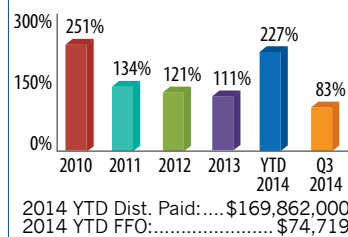
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Historical Distribution

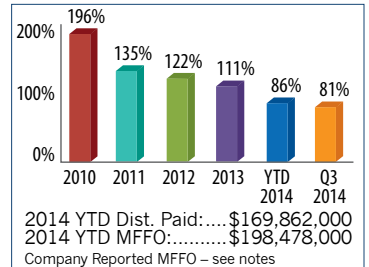


*See Notes

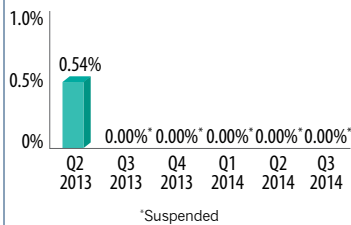
Historical FFO Payout Ratio



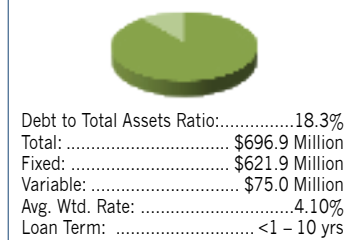
Historical MFFO Payout Ratio



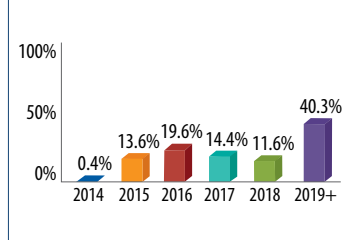
Redemptions



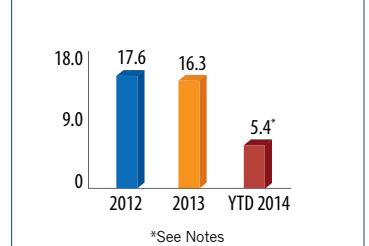
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- As of September 30, 2014, the Company owned 188 hotels with an aggregate 23,489 rooms located in 33 states. This total included 34 Courtyard, 32 Hampton Inn, 31 Hilton Garden Inn, 25 Residence Inn and 24 Homewood Suites properties.
- James Barden, Kent Colton, Michael Waters and Robert Wily each on Oct. 9 notified Apple Hospitality REIT Inc. of his respective intention to retire from the company's board of directors, effective Jan. 1, 2015.
- According to a Form 8-K filed Oct. 16, the company appointed Jon Fosheim, L. Hugh Redd, Daryl Nickel and Justin Knight to fill the vacant positions on the board, effective Jan. 1, 2015.
- Fosheim previously served as the CEO of Oak Hill REIT Management LLC; Redd worked as the senior vice president and CFO of General Dynamics Corp.; and Nickel served as a consultant to Whiteco Pool Solutions from 2011 until July.
- For the period ended September 30, 2014, the REIT had a 9-month YTD loss of \$15.501 million mainly due to the \$117.1 million Series B convertible preferred share expense in Q1 2014 related to the merger. This caused the fall in the coverage ratio.
- The REIT's Cash to Total Assets ratio remained at 0% as of 3Q 2014 compared to 0% as of 3Q 2013.
- The REIT's Debt to Total Asset ratio increased to 18.3% as of 3Q 2014 compared to 12.4% as of 3Q 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- Distributions during the nine months ended September 30, 2014 totaled approximately \$169.86 million and were paid at a monthly rate of \$0.1667 per common share for the three months ended September 30, 2014. For the nine months ended September 30, 2014 the Company's net cash generated from operations was approximately \$184.1 million.