

HERSHA HOSPITALITY TRUST
Form 10-Q
April 30, 2019
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

COMMISSION FILE NUMBER: 001-14765

HERSHA HOSPITALITY TRUST

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or Organization)

251,811,499

(I.R.S. Employer Identification No.)

44 Hersha Drive, Harrisburg, PA

17102

(Address of Registrant's Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (717) 236-4400

Indicate by check mark whether the registrant (i) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (ii) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Small reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of April 30, 2019, the number of Class A common shares of beneficial interest outstanding was 39,214,677 and there were no Class B common shares of beneficial interest outstanding.

Hersha Hospitality Trust
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HERSHA HOSPITALITY TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2019 (UNAUDITED) AND DECEMBER 31, 2018
[IN THOUSANDS, EXCEPT SHARE/UNIT AND PER SHARE AMOUNTS]

	March 31, 2019	December 31, 2018
Assets:		
Investment in Hotel Properties, Net of Accumulated Depreciation	\$2,010,575	\$ 2,026,659
Investment in Unconsolidated Joint Ventures	2,685	4,004
Cash and Cash Equivalents	33,526	32,598
Escrow Deposits	8,693	8,185
Hotel Accounts Receivable, Net of Allowance for Doubtful Accounts of \$0 and \$188	12,171	10,241
Due from Related Parties	5,951	3,294
Intangible Assets, Net of Accumulated Amortization of \$6,213 and \$7,308	2,438	13,644
Right of Use Asset	46,288	—
Other Assets	42,949	40,005
Total Assets	\$2,165,276	\$ 2,138,630
Liabilities and Equity:		
Line of Credit	\$37,000	\$ 10,000
Unsecured Term Loans, Net of Unamortized Deferred Financing Costs (Note 5)	698,368	698,202
Unsecured Notes Payable, Net of Unamortized Deferred Financing Costs (Note 5)	50,697	50,684
Mortgages Payable, Net of Unamortized Premium and Unamortized Deferred Financing Costs	333,798	334,145
Lease Liability	55,012	—
Accounts Payable, Accrued Expenses and Other Liabilities	43,085	70,947
Dividends and Distributions Payable	17,215	17,129
Total Liabilities	\$1,235,175	\$ 1,181,107
Redeemable Noncontrolling Interests - Consolidated Joint Venture (Note 1)	\$2,848	\$ 2,708
Equity:		
Shareholders' Equity:		
Preferred Shares: \$.01 Par Value, 29,000,000 Shares Authorized, 3,000,000 Series C, 7,701,700 Series D and 4,001,514 Series E Shares Issued and Outstanding at March 31, 2019 and December 31, 2018, with Liquidation Preferences of \$25 Per Share (Note 1)	\$ 147	\$ 147
Common Shares: Class A, \$.01 Par Value, 104,000,000 Shares Authorized at March 31, 2019 and December 31, 2018; 39,213,269 and 39,458,626 Shares Issued and Outstanding at March 31, 2019 and December 31, 2018, respectively	392	395
Common Shares: Class B, \$.01 Par Value, 1,000,000 Shares Authorized, None Issued and Outstanding at March 31, 2019 and December 31, 2018	—	—
Accumulated Other Comprehensive Income	1,534	4,227
Additional Paid-in Capital	1,151,654	1,155,776
Distributions in Excess of Net Income	(291,282)	(267,740)
Total Shareholders' Equity	862,445	892,805

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Noncontrolling Interests (Note 1)	64,808	62,010
Total Equity	927,253	954,815
Total Liabilities and Equity	\$2,165,276	\$2,138,630

The Accompanying Notes Are an Integral Part of These Consolidated Financial Statements.

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HERSHA HOSPITALITY TRUST AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018 [UNAUDITED]
 [IN THOUSANDS, EXCEPT SHARE/UNIT AND PER SHARE AMOUNTS]

	Three Months Ended March 31,	
	2019	2018
Revenue:		
Hotel Operating Revenues:		
Room	\$91,485	\$79,048
Food & Beverage	14,228	13,538
Other Operating Revenues	8,930	6,929
Other Revenues	150	124
Total Revenues	114,793	99,639
Operating Expenses:		
Hotel Operating Expenses:		
Room	22,090	19,356
Food & Beverage	12,832	11,851
Other Operating Expenses	40,189	35,575
Hotel Ground Rent	1,110	