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News Release

PEBBLEBROOK HOTEL TRUST COMPLETES $36.0 MILLION, 5.28 PERCENT, SECURED DEBT FINANCING

BETHESDA, MD, JANUARY 21, 2011 – Pebblebrook Hotel Trust (NYSE: PEB) (the "Company") today announced that it has successfully executed a new $36.0 million secured loan with Goldman Sachs Commercial Mortgage Capital, L.P., at a fixed annualized interest rate of 5.28 percent and a term of five years. The loan is collateralized by a first mortgage on the Doubletree Bethesda Hotel in Bethesda, Maryland. Proceeds from the loan will be used to fund future acquisitions and for general business purposes.

With the completion of this financing, the Company has approximately $282.0 million of cash on its balance sheet. In addition, the Company has $210.6 million of debt outstanding at a weighted average annual interest rate of 4.28 percent. The Company has no outstanding balance on its $150.0 million senior secured credit facility.

"We are pleased with our continued success accessing the debt markets, which has enabled us to take advantage of the attractive interest rate environment," advised Raymond D. Martz, Chief Financial Officer of Pebblebrook Hotel Trust. "We are also encouraged by the strong interest from the banking industry in our high-quality, well located properties, supported by our well received sponsorship. The capital that we have generated from our recently completed debt transactions, combined with the available capacity from our credit facility, will continue to allow us to take advantage of acquisition opportunities in the marketplace. We believe that acquisition activity in the hotel industry will be robust in 2011 and we anticipate that our Company will be very active throughout the year."

About Pebblebrook Hotel Trust

Pebblebrook Hotel Trust is a publicly traded real estate investment trust ("REIT") organized to opportunistically acquire and invest primarily in upper-upscale, full-service hotels located in large urban and resort markets with an emphasis on the major coastal cities. The company owns eight hotels, with a total of 2,300 guest rooms.

Click here to visit the Pebblebrook Hotel Trust website

This press release contains certain "forward-looking" statements relating to, among other things, potential property acquisitions. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "seek," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict," "forecast," "continue," "plan" or other similar words or expressions. Forward-looking statements are based on certain assumptions and can include future expectations, future plans and strategies, financial and operating projections or other forward-looking information. These forward-looking statements are subject to various risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from such statements. These risks and uncertainties include, but are not limited to, the state of the U.S. economy and the supply of hotel properties, and other factors as are described in greater detail in the Company's filings with the Securities and Exchange Commission, including, without limitation, the Company's Prospectus on Form 424(b)(1) filed on July 23, 2010. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

For further information about the Company's business and financial results, please refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of the Company's SEC filings, including, but not limited to, its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, copies of which may be obtained at the Investor Relations section of the Company's website at www.pebblebrookhotels.com.

All information in this release is as of January 21, 2011. The Company undertakes no duty to update the statements in this release to conform the statements to actual results or changes in the Company's expectations.

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For additional information or to receive press releases via email, please visit our website at www.pebblebrookhotels.com