



AMERICAN HOTEL
INCOME PROPERTIES
REIT LP

**AMERICAN HOTEL INCOME PROPERTIES REIT LP ANNOUNCES
EXPANSIONS OF THREE HIGH OCCUPANCY OAK TREE INN HOTELS
IN NEBRASKA, OREGON AND TEXAS**

VANCOUVER, B.C. (November 2, 2015) – American Hotel Income Properties REIT LP (“**AHIP**”) (TSX: HOT.UN; OTCQX: AHOTF) announced today three new 24-room expansions at existing high occupancy Oak Tree Inn hotels in North Platte, Nebraska, Hermiston, Oregon and Hearne, Texas (the “**Expansions**”). The Expansions are being constructed by SunOne Developments Inc. (“**SunOne**”) pursuant to the Master Development Agreement and will be acquired for an aggregate purchase price of US\$6.4 million. The Expansions will be completed during the first half of 2016 and will be funded with cash on hand, mortgage debt and the issuance of AHIP Units. The Expansions are part of AHIP’s previously announced railway growth strategy of constructing additional guestrooms at existing, high occupancy Oak Tree Inn hotels that have excess land and strong market demand.

Mr. Rob O’Neill, Chief Executive Officer of AHIP commented, “We are pleased to announce three highly accretive investments at existing high occupancy locations. The Expansions will increase capacity for our railway clients with the opportunity to also capture transient demand. The guestrooms will be purpose built to industry-leading “Dark and Quiet” Oak Tree Inn standards. We continue to evaluate various accretive growth opportunities for the Oak Tree Inn railway hotel portfolio.”

AHIP’s current portfolio is comprised of 78 hotels totaling 6,822 guestrooms, which includes 43 Oak Tree Inn hotels totaling 3,491 guestrooms and 35 branded hotels totaling 3,331 guestrooms. AHIP’s Oak Tree Inn hotels are managed by TR Lodging Enterprises Inc., a wholly-owned subsidiary of O’Neill Hotels & Resorts Ltd.

FORWARD-LOOKING INFORMATION

Certain statements contained in this news release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “plan”, “expect”, “may”, “will”, “intend”, “should”, and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements in this news release include, without limitation, references to the three Expansions and the expected completion timing of each, the funding of the aggregate purchase price with cash, mortgage debt and Units, the expectation that the Expansions will be accretive to unitholders, and future transient and railway occupancy of the Expansions.

Forward-looking information is based on a number of key expectations and assumptions made by AHIP, including, without limitation: a reasonably stable North American economy and stock market, the continued strength of the U.S. lodging industry, the ability to continue AHIP’s railway expansion strategy. Although the forward-looking information contained in this news release is based on what AHIP’s management believes to be reasonable assumptions, AHIP cannot assure investors that actual results will be consistent with such information.

Forward-looking information reflects current expectations of AHIP’s management regarding future events and operating performance as of the date of this news release. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. Actual results could differ materially from



those currently anticipated due to a number of factors and risks. These include, without limitation, those factors that can be found under “Risk Factors” in AHIP’s Annual Information Form dated March 27, 2015 and under “Risks and Uncertainties” in AHIP’s Management’s Discussion and Analysis dated August 12, 2015, both of which are available on SEDAR at www.sedar.com.

The forward-looking statements contained herein represent AHIP’s expectations as of the date of this news release, and are subject to change after this date. AHIP assumes no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

ABOUT AMERICAN HOTEL INCOME PROPERTIES REIT LP

AHIP is a limited partnership formed under the *Limited Partnerships Act* (Ontario) to invest in hotel real estate properties located substantially in the United States and is engaged primarily in the railroad employee accommodation, transportation-oriented, and select-service lodging sectors. AHIP’s properties are mostly located in secondary and tertiary markets in the United States in close proximity to railroads, airports, highway interchanges, and other demand generators. AHIP’s long-term objectives are to: (i) generate stable and growing cash distributions from hotel properties substantially in the U.S.; (ii) enhance the value of its assets and maximize the long-term value of the hotel properties through active management; and (iii) expand its asset base and increase its AFFO per unit through an accretive acquisition program, participation in strategic development opportunities and improvements to its properties through targeted value-added capital expenditure programs.

ADDITIONAL INFORMATION

Additional information relating to AHIP, including its other public filings, is available on SEDAR at www.sedar.com and on AHIP’s website at www.ahipreit.com.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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