



HOSPITALITY
VALUATION
SERVICES



SMITH TRAVEL RESEARCH

HVS Canada in Review

By Betsy MacDonald, MAI, AACI, RIBC

Since 1993, HVS International - Canada has appraised or evaluated over 450 existing or proposed hotel projects. Over 300 of these projects have been in Canada. This is a far cry from the 1,200 hotels our United States offices appraise or evaluate per year. However, considering we only have 10% of the number of hotel rooms that they have in the United States, we are proud of our accomplishments.

One of the more notable projects which we have had the privilege to work on was the Westin Hotel and Resort in Whistler. This hotel was recently named the number one ski resort hotel in all of North America. HVS-Vancouver did the feasibility study and the appraisal. In 2000, we completed an appraisal on the Chateau Frontenac in Quebec City, Quebec. This is one of the most magnificent hotels in the country. We also recently updated an appraisal for the Sheraton Eau Claire in Calgary. This hotel has an outstanding location in downtown Calgary and is the market leader.

Jon Lantz, Lorenzo Palumbo and myself opened our HVS International - Toronto office in January, 2000. We are extremely

excited to have two offices to better serve our clients across the country. Our Toronto office recently completed an assignment for the Park Hyatt as well as a feasibility study for a proposed Mandarin hotel, both in downtown Toronto. They

Hotel Group whose partners own several hotels across Canada. HVS-Toronto has also arranged the mortgage financing on this transaction.

We would not be where we are without our associates. A special thanks to Carrie

Hospitality Venture Services Inc. Real Estate Broker (HVS-Toronto) recently arranged the sale of the Ramada Coral Resort and the Ramada Suites Hotel in Niagara Falls, Canada for \$16.5-million. The properties were sold on behalf of the Orsini family to the Adamar Hotel Group whose partners own several hotels across Canada. HVS Toronto has also arranged the mortgage financing on this transaction.

also completed a complex valuation for the Sheraton Fallsview in Niagara Falls, Ontario.

Jon and Lorenzo also started Hospitality Venture Services Inc., the real estate brokerage division of HVS International. This allows HVS to broaden the services offered to our clients. In fact, HVS-Toronto recently arranged the sale of the Ramada Coral Resort and the Ramada Suites Hotel in Niagara Falls, Canada for \$16.5-million. The properties were sold on behalf of the Orsini family to the Adamar

Russell, Monique Rosszell, Eric Pateman, Salim Gulamani, Kimberley TyIs, and Selena Lai. Past associates include Miguel Rivera and Namit Malhotra, both of whom recently transferred to our San Francisco office. One of our first associates, Henrik Bartl, is now with DePfa Bank, AG as Head of International Hotel Financing. Go Figure!

A sincere thank you to all of our clients, as well as the general managers, assessors, hotel directors, and others that have helped us along the way. It has been a great eight years.



CANADIAN LODGING OUTLOOK
HVS INTERNATIONAL - CANADA

December 2000	Number of Rooms	Occupancy Rate (%)		Average Room Rate (\$)		RevPAR (\$)		Room Supply % change	Room Demand % change
		2000	1999	2000	1999	2000	1999		
Nova Scotia Area	1,345	44.5%	43.6%	\$60.53	\$58.44	\$26.94	\$25.48	0.0%	2.0%
Halifax, NS	2,075	41.9%	40.5%	\$96.37	\$99.16	\$40.38	\$40.16	0.0%	3.4%
Montreal, QC	14,122	47.4%	44.1%	\$121.95	\$116.58	\$57.80	\$51.41	1.2%	8.8%
Quebec City, QC	3,606	39.8%	46.4%	\$103.90	\$105.93	\$41.35	\$49.15	0.2%	-14.1%
Quebec Area	3,802	40.6%	38.3%	\$71.62	\$73.21	\$29.08	\$28.04	0.0%	6.0%
Toronto Downtown	12,318	46.2%	43.9%	\$142.33	\$137.09	\$65.76	\$60.18	1.1%	6.3%
Toronto North/East	6,449	47.1%	47.7%	\$102.30	\$97.75	\$48.18	\$46.63	1.4%	0.0%
Toronto Airport/West	9,027	55.0%	52.1%	\$107.16	\$103.36	\$58.94	\$53.85	2.8%	8.5%
Ottawa, ON	7,565	46.7%	43.5%	\$117.84	\$108.75	\$55.03	\$47.31	-1.5%	5.7%
Ontario East	4,327	40.3%	44.8%	\$82.69	\$76.13	\$33.32	\$34.11	3.1%	-7.3%
Niagara Falls, ON	5,540	32.0%	34.4%	\$95.25	\$86.14	\$30.48	\$29.63	7.2%	-0.3%
Ontario Southwest	5,746	42.1%	42.6%	\$90.80	\$88.27	\$38.23	\$37.60	0.9%	-0.2%
Ontario North	4,183	40.9%	42.3%	\$81.91	\$78.58	\$33.50	\$33.24	0.3%	-2.8%
Ontario Central	6,930	46.0%	45.0%	\$89.38	\$82.39	\$41.11	\$37.08	1.0%	3.4%
Winnipeg, MB	3,051	47.8%	49.7%	\$84.59	\$83.32	\$40.43	\$41.41	2.4%	-1.4%
Regina/Saskatoon, SK	3,843	45.4%	45.2%	\$76.93	\$73.86	\$34.93	\$33.38	5.6%	5.9%
Calgary, AB	7,262	43.4%	45.2%	\$102.47	\$100.19	\$44.47	\$45.29	6.4%	2.2%
Edmonton, AB	5,002	43.9%	44.7%	\$80.24	\$80.84	\$35.23	\$36.14	1.1%	-0.6%
Alberta Area	5,081	47.4%	44.6%	\$76.37	\$74.44	\$36.20	\$33.20	2.1%	8.4%
Mountain Regions, AB	2,358	52.3%	50.8%	\$172.74	\$165.65	\$90.34	\$84.15	0.0%	0.3%
Vancouver, BC	11,871	42.7%	37.5%	\$106.81	\$104.83	\$45.61	\$39.31	5.5%	20.2%
British Columbia Area	4,343	33.0%	33.0%	\$62.90	\$64.47	\$20.76	\$21.28	1.3%	1.3%
Victoria, BC	2,869	35.3%	35.7%	\$94.01	\$93.57	\$33.19	\$33.40	0.0%	-1.0%
Provinces									
Alberta	19,802	45.6%	45.8%	\$99.14	\$98.97	\$45.21	\$45.33	2.4%	2.2%
British Columbia	22,456	41.9%	38.9%	\$125.17	\$112.56	\$52.45	\$43.79	2.6%	10.5%
Manitoba	3,254	47.4%	49.3%	\$83.96	\$82.47	\$39.80	\$40.66	2.1%	-1.9%
New Brunswick	2,742	42.6%	43.2%	\$73.94	\$71.70	\$31.50	\$30.97	-1.6%	-1.6%
Newfoundland	1,466	44.4%	40.4%	\$89.29	\$87.57	\$39.64	\$35.38	0.0%	10.0%
Nova Scotia	3,420	42.9%	41.7%	\$81.43	\$82.87	\$34.93	\$34.56	0.0%	3.0%
Northwest Territories	INS	INS	INS	INS	INS	INS	INS	INS	INS
Ontario	61,646	45.3%	44.8%	\$107.92	\$101.83	\$48.89	\$45.62	1.8%	2.8%
Prince Edward Island	784	26.7%	27.3%	\$52.09	\$60.91	\$13.91	\$16.63	0.0%	-2.0%
Quebec	21,969	44.7%	43.4%	\$111.04	\$107.60	\$49.63	\$46.70	0.6%	3.5%
Saskatchewan	5,330	42.8%	42.5%	\$72.84	\$69.43	\$31.18	\$29.51	2.4%	3.2%
Yukon Territory	384	29.3%	26.7%	\$61.96	\$67.21	\$18.15	\$17.95	0.0%	9.7%
Canada	143,253	42.0%	41.3%	\$90.85	\$86.86	\$38.16	\$35.87	1.7%	3.4%

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		2000	1999	2000	1999	2000	1999		
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Halifax, NS	2,075	71.6%	73.6%	\$116.03	\$106.91	\$83.08	\$78.69	0.1%	-2.6%
Montreal, QC	14,122	69.0%	69.1%	\$129.05	\$119.76	\$89.04	\$82.75	0.9%	0.7%
Quebec City, QC	3,606	68.9%	68.5%	\$125.90	\$118.03	\$86.75	\$80.85	0.3%	0.7%
Quebec Area	3,802	55.9%	57.8%	\$80.93	\$74.56	\$45.24	\$43.10	0.0%	-3.3%
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CANADIAN LODGING OUTLOOK

DEFINITIONS

Occupancy:	The ratio of total occupied rooms to total available rooms.
Average Room Rate:	Defined as room sales divided by the total number of rooms occupied.
RevPAR:	The application of a hotel's average occupancy to its average room rate and a true indicator of the property's ability to generate revenue. It is calculated by multiplying the occupancy by the average room rate.
Number of Rooms:	The total number of rooms at participating hotels.



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HVS is the leading consulting and appraisal firm specializing solely in the hospitality industry. HVS personnel have university degrees in Hotel Administration, or actual hotel work experience, and are taking further courses of study to obtain recognized real estate designations. HVS has consulted for over 10,000 hotels in 55 countries.



HOTELASSOCIATION OF CANADA INC.

The Hotel Association of Canada is a federation of provincial and territorial associations, hotel chains and suppliers with a mandate to represent members nationally and internationally and to provide cost-effective services that stimulate and encourage a free market accommodation industry.

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SMITH TRAVEL RESEARCH

STR provides information and analysis to all major Canadian and U.S. hotel chains. Individual hotels, management companies, appraisers, consultants, investors, lenders and other lodging industry analysts also rely on STR data for the accuracy they require. With the most comprehensive database of hotel performance information ever compiled, STR has developed a variety of products and services to meet the needs of industry leaders.

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