

Canadian November 2006 Lodging Outlook



SMITH TRAVEL RESEARCH

2006 Canadian Hotel Transaction Survey

By: Carrie Russell, AACI, RIBC - HVS International - Canada

To say that 2006 was a robust year for hotel sales would be an understatement! Total investment in Canadian hotels was higher in 2006 than in any of the last 15 years, with over \$2.7 billion in total sales. This is 70% higher than the total investment in 2005 and 37% higher than the last peak in investment in 1997. There were only slightly more transactions in 2006 as compared to 2005 (120 hotels as compared to 111 hotels), but the record investment was driven by Oxford Properties purchase of seven Fairmont Hotels, for a total price of \$1.5 billion, or \$514,756 per room for the 2,914 room package. While these assets contain additional development potential, the price per room is notable as it represents the highest price per room ever paid for a hotel in Canada.

The average price per room for the 2006 sales was \$160,205, again a record number; however, if this is adjusted to remove the Fairmont transaction the average price per room was \$86,502 per room.

Aside from the Oxford Properties purchase of the Fairmont Hotels, several other assets were sold as part of packages in 2006. Following the purchase of the London, England based Hilton International, by the Hilton Hotels Corporation based in Beverly Hills, California, Hilton

Hotels Corporation divested ownership in all of the Canadian hotels acquired in the takeover. The five Canadian properties included the Hilton Toronto Downtown, the Hilton Toronto Airport, the Hilton Montreal Airport, the Hilton Quebec City and the Hilton Saint John in New Brunswick. The latter two properties were purchased by InnVest REIT for a total of \$63 million, or \$82,031 per room. The total package price was approximately \$243 million for 2,267 guestrooms or an average price of \$107,000 per room with Westmont Hospitality purchasing three of the five assets.

The package purchases continued into October with the Fortis acquisition of four hotels in Alberta and British Columbia which were owned by the Rempel family. The total package price was \$51.5 million for 454 guestrooms at the Holiday Inn & Suites in Medicine Hat, Alberta; the Best Western Inn in Medicine Hat, Alberta; the Ramada Hotel & Suites in Lethbridge, Alberta; and the Holiday Inn Express in Kelowna, British Columbia.

Sales activity in Canada was also driven by the lodging REITs. Lakeview REIT and Holloway Lodging REIT generated the largest number of transactions in 2006 with eight acquisitions and investment totaling

over \$59 million and over \$92 million respectively. InnVest REIT purchased seven properties with investment of over \$139 million. While CHIP REIT



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2006 Canadian Hotel Transaction Survey (Cont'd)

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noted three major purchases with an investment of \$90 million. Legacy REIT made a strategic purchase of an asset in downtown Calgary, the Delta Bow Valley, at a price of \$53.5 million, or \$134,422 per room.

Ontario dominated the country in terms of sales activity with 36 sales and a total investment of over \$330 million. The average price per room in Ontario was \$83,878 per room. Alberta followed closely behind with 32 sales. Investment in Alberta is sizeable as three of the seven Fairmont properties were in the province. Total investment in Alberta was roundly \$1.2 billion, or \$254,970 per room. Removing the Fairmont sales from the Alberta numbers results in a total investment in the province of \$282 million or \$97,272 per room. Including the Fairmont sales British Columbia recorded 23 sales with a total investment of \$707 million, or \$215,303 per room. Removing the Fairmont sales from the data, investment in British Columbia was \$223 million, or \$94,960 per

room. Quebec recorded a mere 11 sales in 2006 at a price per room of \$130,486. The highest price per room paid in the province was for the Residence Inn in downtown Montreal purchased for \$178,947 per room for the 190-room property. Aside from the Fairmont sales, and the purchase of a small property in Mississauga that will be converted to a retirement home, the Residence Inn represented the highest price per room paid in the country last year.

While capitalization rates are not available for all transactions listed, evidence suggests cap rates in 2006 declined relative to previous years. Numerous full- and limited-service properties in regions throughout the country traded at cap rates below 10%, with the Fairmont transaction (not adjusted for additional development potential) noting a cap rate of 4.7%.

The outlook for transaction activity in 2007 is positive although few would anticipate a repeat of 2006. Hotel

investors continue to seek out properties and there is a ready supply of debt available. The full impact of the REIT legislation introduced in the fall of 2006 on the ability of REITs to raise capital is yet to be seen and may put a damper on REIT activity levels this year. Overall, operating performance is expected to continue to be strong as demand growth in Canada continues to outpace supply growth, resulting in occupancy increases and the ability for hoteliers to increase average room rates. Barring any major shift in capitalization rates, this increase in profitability will have a positive impact on hotel values in the year to come. ♦

Canadian Hotels Sales 1992-2006

Year	No. of Properties	No. of Room	Total Investment	Price Per Room
1992	9	1,874	\$91,313,000	\$48,726
1993	27	5,937	221,356,000	37,284
1994	28	4,056	118,802,260	29,290
1995	49	8,455	443,801,820	52,490
1996	77	15,638	825,674,006	52,799
1997	122	25,947	1,981,851,306	76,381
1998	172	24,090	1,361,322,026	56,510
1999	36	4,411	406,284,400	92,107
2000	48	5,760	487,537,000	84,642
2001	40	6,405	650,815,000	101,610
2002	56	6,297	±500,000,000	±80,000
2003	55	7,159	447,216,100	62,469
2004	76	8,221	535,323,675	65,117
2005	111	15,713	1,598,651,075	101,741
2006	120	16,932	2,712,589,484	160,205

Source: HVS International

2006 Canadian Hotel Sales

Prov.	Month	Hotel Name	City	Rooms	Price	Price Per Room	Cap Rate (%)
BC	Mar-06	Best Western Dorchester Hotel	Nanaimo	66	\$3,700,000	\$56,061	10.0%
	Mar-06	Guildford Inn & Suites	Surrey	86	\$7,400,000	\$86,047	n/a
	Apr-06	Radisson President Hotel & Suites	Richmond	184	\$22,300,000	\$121,196	6.9%
	Apr-06	Delta Victoria Ocean Pointe Resort & Spa (1)	Victoria	239	\$34,000,000	\$142,259	7.0%
	Apr-06	Renaissance Vancouver (2)	Vancouver	437	\$42,900,000	\$98,169	4.6%
	May-06	Super 8	Kamloops	47	\$3,000,000	\$63,830	10.5%
	May-06	Riverland Motel	Kamloops	58	\$3,500,000	\$60,345	9.0%
	May-06	Dominion Hotel	Victoria	90	\$6,400,000	\$71,111	10.0%
	Jun-06	Days Inn Kelowna	Kelowna	91	\$5,600,000	\$61,538	7.5%
	Jun-06	Ramada North Shore Inn	Vancouver	82	\$6,200,000	\$75,610	n/a
	Jun-06	Weigh West Resort	Tofino	63	\$8,050,000	\$127,778	13.0%
	Jul-06	Super 8	Campbell River	39	\$2,300,000	\$58,974	n/a
	Aug-06	Coast Westerly Hotel	Courtenay	108	\$8,500,000	\$78,704	10.0%
	Sep-06	Coast Prince Rupert Hotel	Prince Rupert	92	\$4,000,000	\$43,478	n/a
	Sep-06	Fairmont Chateau Whistler (3)	Whistler	550	\$283,115,800	\$514,756	4.7%
	Sep-06	Fairmont Vancouver Airport (3)	Richmond	392	\$201,784,352	\$514,756	4.7%
	Sep-06	Harbour Towers Hotel	Victoria	196	\$18,500,000	\$94,388	10.0%
	Oct-06	Days Inn Chetwynd	Chetwynd	58	\$7,047,000	\$121,500	n/a
	Oct-06	Ramada Limited Fort Saint John	Fort Saint John	73	\$8,700,000	\$119,178	15.0%
	Oct-06	Holiday Inn Express (4)	Kelowna	120	\$13,638,767	\$113,656	n/a
	Dec-06	Super 8	Osoyoos	62	\$7,200,000	\$116,129	n/a
	Dec-06	Quality Inn	Kamloops	63	\$4,150,000	\$65,873	7.2%
	Dec-06	Ramada Hotel	Kamloops	90	\$5,500,000	\$61,111	n/a
		23 Sales		3,286	\$707,485,919	\$215,303	
AB	Jan-06	Super 8 Athabasca	Athabasca	48	\$3,250,000	\$67,708	11.0%
	Jan-06	Budget Host Motor Inn	Calgary	72	\$2,800,000	\$38,889	12.0%
	Jan-06	Best Western Fort Saskatchewan	Fort Saskatchewan	70	\$7,500,000	\$107,143	7.9%
	Jan-06	Best Western Okotoks Lodge	Okotoks	64	\$6,200,000	\$96,875	9.9%
	Jan-06	Service Plus Inn & Suites	Red Deer	90	\$9,050,000	\$100,556	13.5%
	Feb-06	Inn on 7th	Edmonton	172	\$6,400,000	\$37,209	n/a
	Mar-06	Super 8 Slave Lake	Slave Lake	58	\$5,500,000	\$94,828	10.7%
	Mar-06	Ritz Cafe & Motor Inn	Whitecourt	62	\$4,500,000	\$72,581	16.4%
	Apr-06	Lakeview Inn & Suites	Edson	45	\$4,400,000	\$97,778	11.9%
	May-06	Ramada Limited Whitecourt	Whitecourt	50	\$5,400,000	\$108,000	12.1%
	Jun-06	Foxwood Inn & Suites Drayton Valley	Drayton Valley	68	\$6,580,000	\$96,765	12.6%
	Jun-06	Ramada Edmonton	Edmonton	123	\$5,600,000	\$45,528	n/a
	Jun-06	Leduc Inn	Leduc	120	\$8,600,000	\$71,667	n/a
	Jun-06	Holiday Inn Express Sherwood Park	Sherwood Park	90	\$11,800,000	\$131,111	9.1%
	Jun-06	Best Western Rocky Mountain House Inn & Suites	Rocky Mountain House	81	\$8,550,000	\$105,556	11.0%
	Jul-06	Sunrise Motel	Consort	49	\$2,220,000	\$45,306	17.5%

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2006 Canadian Hotel Sales

Prov.	Month	Hotel Name	City	Rooms	Price	Price Per Room	Cap Rate (%)	
AB	Jul-06	Holiday Inn (5)	Edmonton	102	\$11,414,208	\$111,904	n/a	
	Jul-06	Days Inn (5)	Edmonton	108	\$12,085,632	\$111,904	n/a	
	Aug-06	Best Western Harvest Country Inn	Cochrane	48	\$4,300,000	\$89,583	12.7%	
	Aug-06	Westgate Motor Inn	Edmonton	52	\$1,349,000	\$25,942	9.3%	
	Aug-06	The Commodore Hotel	Edson	29	\$1,050,000	\$36,207	16.7%	
	Aug-06	Holiday Inn & Suites	Lethbridge	102	\$10,800,000	\$105,882	7.1%	
	Aug-06	Super 8 Drayton Valley	Drayton Valley	60	\$6,700,000	\$111,667	11.4%	
	Aug-06	5 Calgary Downtown Suites	Calgary	303	\$29,500,000	\$97,360	5.5%	
	Sep-06	Fairmont Banff Springs (3)	Banff	770	\$396,362,120	\$514,756	4.7%	
	Sep-06	Wingate Inn Calgary	Calgary	103	\$15,250,000	\$148,058	8.8%	
	Sep-06	Fairmont Jasper Park Lodge (3)	Jasper	441	\$227,007,396	\$514,756	4.7%	
	Sep-06	Fairmont Chateau Lake Louise (3)	Lake Louise	550	\$283,115,800	\$514,756	4.7%	
	Sep-06	Delta Bow Valley Inn	Calgary	398	\$53,500,000	\$134,422	9.8%	
	Oct-06	Ramada Hotel and Suites (4)	Lethbridge	119	\$13,498,900	\$113,436	n/a	
	Oct-06	Holiday Inn Express and Suites (4)	Medicine Hat	3	\$10,549,600	\$113,437	n/a	
	Oct-06	Best Western (4)	Medicine Hat	122	\$13,839,200	\$113,436	n/a	
			32 Sales		4,662	\$1,188,671,856	\$254,970	
	SK	Mar-06	Travelodge Regina East	Regina	181	\$2,800,000	\$15,470	10.0%
Aug-06		Days Inn Hotel	Yorkton	74	\$4,600,000	\$62,162	11.4%	
Oct-06		Comfort Inn & Suites	Yorkton	80	\$4,725,000	\$59,063	12.1%	
Oct-06		Temple Gardens Mineral Spa & Resort	Moose Jaw	187	\$21,000,000	\$112,299	n/a	
Dec-06		Confederation Inn	Saskatoon	42	\$2,100,000	\$50,000	n/a	
Dec-06		Travelodge	Melfort	65	\$3,600,000	\$55,385	n/a	
		5 Sales		629	\$38,825,000	\$61,725		
MB	Jun-06	Holiday Inn & Suites Winnipeg Downtown	Winnipeg	140	\$4,300,000	\$30,714	2.4%	
	Jun-06	Place Louis Riel All Suite Hotel	Winnipeg	294	\$16,500,000	\$56,122	10.4%	
		2 Sales		434	\$20,800,000	\$47,926		

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2006 Canadian Hotel Sales

Prov.	Month	Hotel Name	City	Rooms	Price	Price Per Room	Cap Rate (%)
ON	Jan-06	Hampton Inn Toronto Mississauga	Mississauga	69	\$6,400,000	\$92,754	11.5%
	Feb-06	Casablanca Winery Inn	Grimsby	79	\$8,675,000	\$109,810	n/a
	Feb-06	Sunset Inn	Niagara Falls	32	\$1,500,000	\$46,875	n/a
	Mar-06	Days Inn Leamington	Leamington	94	\$3,954,000	\$42,064	3.2%
	Mar-06	Comfort Inn By Journeys End	Leamington	61	\$3,160,000	\$51,803	9.5%
	Mar-06	Waters Edge Inn	Niagara Falls	67	\$2,050,000	\$30,597	10.7%
	Mar-06	Super 8 Vaughan	Vaughan	85	\$8,000,000	\$94,118	10.8%
	Mar-06	Radisson Hotel Toronto East	North York	240	\$16,788,865	\$69,954	n/a
	Apr-06	Hilton Garden Inn (6)	Burlington	120	\$15,864,000	\$132,200	n/a
	Apr-06	Homewood Suites (6)	Burlington	88	\$11,633,600	\$132,200	n/a
	Apr-06	Talisman Resort & Conference Center	Kimberley	94	\$8,272,000	\$88,000	9.1%
	Apr-06	Kingsway Motel	Oshawa	25	\$1,100,000	\$44,000	n/a
	Apr-06	Lionhead Lakefront Resort & Yacht Club	Georgina	87	\$2,800,000	\$32,184	n/a
	May-06	Pine Ridge Motel	Courtice	19	\$1,075,000	\$56,579	n/a
	May-06	Knights Inn Kitchener	Kitchener	45	\$2,166,000	\$48,133	0.0%
	Jun-06	Glenerin Inn	Mississauga	39	\$12,000,000	\$307,692	n/a
	Jun-06	Econo Lodge	Ridgetown	40	\$1,325,000	\$33,125	n/a
	Jun-06	Comfort Inn Scarborough	Scarborough	81	\$3,860,000	\$47,654	n/a
	Jun-06	Toronto Gateway Inn Hotel	Scarborough	78	\$3,200,000	\$41,026	n/a
	Jun-06	Maxine Inn	Mississauga	55	\$3,210,000	\$58,364	n/a
	Jul-06	Best Western Sunset Inn	Mississauga	164	\$12,750,000	\$77,744	11.2%
	Jul-06	Dodge Suites Hotel	Vaughan	189	\$24,700,000	\$130,688	9.5%
	Aug-06	Jag's on Jarvis	Toronto	45	\$1,650,000	\$36,667	n/a
	Aug-06	Crestwood Motel	Burlington	24	\$1,575,000	\$65,625	n/a
	Sep-06	Comfort Suites Downtown Windsor	Windsor	45	\$3,700,000	\$82,222	n/a
	Sep-06	Hilton Toronto Airport (7)	Mississauga	413	\$49,593,040	\$120,080	n/a
	Sep-06	Hilton Toronto (7)	Toronto	600	\$72,048,000	\$120,080	n/a
	Oct-06	Howard Johnson Aurora	Aurora	97	\$6,000,000	\$61,856	11.0%
	Oct-06	Ramada Hotel and Conference Centre	Toronto	285	\$17,300,000	\$60,702	n/a
	Oct-06	Days Inn Niagara Region	St. Catharines	117	\$4,820,000	\$41,197	n/a
	Oct-06	Stardust Inn	Niagara Falls	24	\$1,055,000	\$43,958	n/a
	Oct-06	Super 8	Guelph	34	\$2,700,000	\$79,412	n/a
	Oct-06	Luxury Inn Chatham	Chatham	40	\$1,099,000	\$27,475	n/a
	Nov-06	Victorian Inn on the Park	Stratford	115	\$3,225,000	\$28,043	n/a
	Nov-06	Days Inn London	London	143	\$5,695,000	\$39,825	11.5%
	Nov-06	Delta Pinestone Resort	Haliburton	103	\$5,200,000	\$50,485	n/a
		36 Sales		3,936	\$330,143,505	\$83,878	

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2006 Canadian Hotel Sales

Prov.	Month	Hotel Name	City	Rooms	Price	Price Per Room	Cap Rate (%)
QC	Mar-06	Holiday Inn Montreal Pointe Claire	Pointe Claire	308	\$19,712,000	\$64,000	9.2%
	Apr-06	Auberge Chomedey Inn	Laval	37	\$2,436,000	\$65,838	n/a
	May-06	Delta Sherbrooke Hotel & Conv. Centre	Sherbrooke	178	\$12,750,000	\$71,629	9.0%
	May-06	Delta Trios Rivieres	Trois Rivieres	159	\$13,600,000	\$85,535	9.0%
	Sep-06	Fairmont Chateau Montebello & Kenuak	Montebello	211	\$108,613,516	\$514,756	4.7%
	Sep-06	Hotel Villa de France	Montreal	31	\$1,600,000	\$51,613	n/a
	Sep-06	Hilton Montreal Dorval Airport (7)	Dorval	486	\$58,358,880	\$120,080	n/a
	Sep-06	Hilton Quebec (8)	Quebec City	571	\$46,839,701	\$82,031	n/a
	Sep-06	Montreal Bonaventure Hilton	Montreal	395	\$37,500,000	\$94,937	8.0%
	Nov-06	Residence Inn By Marriott	Montreal	190	\$34,000,000	\$178,947	n/a
	Dec-06	Ritz Carlton Montreal	Montreal	228	\$29,168,000	\$127,930	n/a
		11 Sales		2,794	\$364,578,097	\$130,486	
NB	Feb-06	Coastal Inn Fort Howe Hotel	Saint John	135	\$4,500,000	\$33,333	n/a
	Sep-06	Hilton Saint John (8)	Saint John	197	\$16,160,107	\$82,031	n/a
	Aug-06	Hotel Courtenay Bay	Saint John	123	\$1,825,000	\$14,837	10.0%
		3 Sales		455	\$22,485,107	\$49,418	
NS	Aug-06	Holiday Inn Express Halifax	Halifax	99	\$7,000,000	\$70,707	9.5%
	Jun-06	Days Inn	Sydney	167	\$4,500,000	\$26,946	0.0%
	Jun-06	Super 8 Truro	Truro	50	\$4,600,000	\$92,000	10.5%
		3 Sales		316	\$16,100,000	\$50,949	
PEI	Jun-06	Keddy's Linkletter Inn & Conv. Centre	Summerside	109	\$2,450,000	\$22,477	12.0%
NFL	Jun-06	Hotel Gander	Gander	152	\$4,800,000	\$31,579	n/a
	Jul-06	Stanford Hotel	Saint John's	93	\$8,000,000	\$86,022	n/a
		2 Sales		245	\$12,800,000	\$52,245	
NWT	Sep-06	Super 8 Yellowknife	Yellowknife	66	\$8,250,000	\$125,000	8.4%
		120 Total Hotel Sales		16,932	\$2,712,589,484	\$160,205	

FOOTNOTES:

- (1) Sale price included two Vancouver restaurants, the Cannery and the Fish House
- (2) Sale price includes \$16.5 million in mandatory capital expenditures to retain the franchise and management contract
- (3) Sale price is based on a per room allocation for the portfolio of seven hotels
- (4) Sale price is based on a per room allocation for the portfolio of four hotels
- (5) Sale price is based on a per room allocation for the portfolio of two hotels
- (6) Sale price is based on a per room allocation for the portfolio of two hotels
- (7) Sale price is based on a per room allocation for the portfolio of three hotels
- (8) Sale price is based on a per room allocation for the portfolio of two hotels

CANADIAN LODGING OUTLOOK
HVS INTERNATIONAL - CANADA

November 2006	Number of Rooms	Occupancy Rate (%)		Average Room Rates (in \$CAD)		RevPAR (in \$CAD)		Room Supply % chg	Room Demand % chg
		2006	2005	2006	2005	2006	2005		
Nova Scotia Area	1,199	49.7%	53.0%	\$88.61	\$79.37	\$44.04	\$42.07	2.0%	-4.4%
Halifax, NS	3,162	68.1%	66.0%	\$119.03	\$108.39	\$81.06	\$71.54	-2.8%	0.4%
Montreal Downtown	9,669	66.2%	66.8%	\$142.43	\$144.21	\$94.29	\$96.33	2.7%	1.6%
Montreal Area	5,083	60.2%	62.3%	\$104.76	\$104.00	\$63.07	\$64.79	1.4%	-1.9%
Quebec City, QC	3,833	57.1%	55.0%	\$119.95	\$113.78	\$68.49	\$62.58	0.0%	3.8%
Quebec Area	5,661	48.8%	48.0%	\$107.88	\$102.36	\$52.65	\$49.13	0.6%	2.3%
Toronto Downtown	13,242	74.4%	77.4%	\$166.84	\$158.20	\$124.13	\$122.45	0.5%	-3.4%
Toronto North/East	6,247	64.9%	62.9%	\$117.01	\$113.58	\$75.94	\$71.44	3.2%	6.4%
Toronto Airport/West	7,795	66.9%	67.3%	\$117.58	\$113.09	\$78.66	\$76.11	1.1%	0.5%
Ottawa, ON	6,434	72.4%	68.8%	\$134.22	\$128.15	\$97.18	\$88.17	0.0%	5.2%
Ontario East	3,888	52.7%	56.0%	\$96.83	\$91.46	\$51.03	\$51.22	0.3%	-5.6%
Windsor/ Ontario SW	2,920	50.6%	53.4%	\$97.79	\$93.07	\$49.48	\$49.70	1.1%	-4.2%
London/ Kitchener	6,343	62.4%	62.7%	\$101.86	\$97.49	\$63.56	\$61.13	1.1%	0.6%
Ontario North/ Thunder Bay	1,868	59.1%	62.7%	\$89.55	\$80.94	\$52.92	\$50.75	0.0%	-5.6%
Ontario NC/ Sudbury	4,069	54.5%	55.8%	\$90.35	\$87.80	\$49.24	\$48.99	1.8%	-0.6%
Niagara Falls, ON	9,158	45.2%	45.0%	\$116.66	\$112.83	\$52.73	\$50.77	3.2%	3.6%
Ontario Central	3,145	52.5%	54.6%	\$103.06	\$94.62	\$54.11	\$51.66	4.2%	0.2%
Mississauga, ON	5,586	58.9%	57.3%	\$110.18	\$105.76	\$64.90	\$60.60	4.1%	7.1%
Winnipeg, MB	3,706	73.8%	61.2%	\$113.09	\$93.07	\$83.46	\$56.96	0.0%	20.5%
Regina/Saskatoon, SK	4,344	72.7%	71.7%	\$103.66	\$96.27	\$75.36	\$69.03	0.0%	1.3%
Calgary, AB	8,584	73.9%	71.2%	\$127.22	\$114.53	\$94.02	\$81.55	3.2%	7.2%
Edmonton, AB	7,471	79.7%	75.2%	\$112.80	\$102.67	\$89.90	\$77.21	1.8%	7.9%
Alberta North Area	2,787	69.4%	71.1%	\$130.34	\$110.50	\$90.46	\$78.57	1.8%	-0.6%
Alberta South Area	6,580	60.6%	61.7%	\$107.59	\$102.55	\$65.20	\$63.27	1.9%	0.0%
Vancouver Downtown	7,915	67.5%	70.1%	\$130.31	\$133.97	\$87.96	\$93.91	0.0%	-3.7%
Vancouver/ Burnaby Area	2,155	67.0%	60.3%	\$98.56	\$93.28	\$66.04	\$56.25	0.0%	11.1%
Richmond-Surrey/ East Area	5,653	64.7%	62.7%	\$97.33	\$89.89	\$62.97	\$56.36	-3.5%	-0.5%
British Columbia Area	5,559	34.8%	41.4%	\$111.87	\$109.34	\$38.93	\$45.27	1.8%	-14.5%
Kamloops/ Kelowna Area	4,268	36.5%	39.8%	\$78.84	\$78.99	\$28.78	\$31.44	1.8%	-6.7%
Vancouver Island	3,991	51.6%	55.7%	\$101.44	\$93.86	\$52.34	\$52.28	0.8%	-6.8%
Provinces									
Alberta	25,422	71.7%	69.9%	\$118.53	\$107.70	\$84.99	\$75.28	2.1%	4.7%
British Columbia	29,241	54.2%	56.2%	\$109.03	\$106.50	\$59.09	\$59.85	0.8%	-2.8%
Manitoba	4,486	69.6%	59.7%	\$110.02	\$89.98	\$76.57	\$53.72	0.0%	16.6%
New Brunswick	3,630	61.2%	60.6%	\$101.94	\$97.37	\$62.39	\$59.01	0.9%	1.9%
Newfoundland	1,839	57.7%	56.2%	\$108.13	\$107.61	\$62.39	\$60.48	1.1%	3.7%
Nova Scotia	4,361	63.1%	62.9%	\$112.44	\$102.52	\$70.95	\$64.49	0.1%	0.4%
Northwest Territories	66	INS	INS	INS	INS	INS	INS	INS	INS
Ontario	70,695	61.8%	62.6%	\$124.10	\$119.06	\$76.69	\$74.53	1.6%	0.3%
Prince Edward Island	889	39.6%	39.9%	\$80.58	\$72.56	\$31.91	\$28.95	0.0%	-0.8%
Quebec	24,246	59.4%	59.7%	\$124.41	\$123.44	\$73.90	\$73.69	1.0%	0.6%
Saskatchewan	5,990	67.9%	67.9%	\$98.94	\$90.80	\$67.18	\$61.65	0.3%	0.4%
Yukon Territory	234	INS	INS	INS	INS	INS	INS	INS	IN
Canada	171,099	53.7%	55.2%	\$104.83	\$97.24	\$56.29	\$53.68	1.2%	-1.5%

CANADIAN LODGING OUTLOOK
HVS INTERNATIONAL - CANADA

November 2006 Year-To-Date	Number of Rooms	Occupancy Rate (%)		Average Room Rates (in \$CAD)		RevPAR (in \$CAD)		Room Supply % chg	Room Demand % chg
		2006	2005	2006	2005	2006	2005		
Nova Scotia Area	1,199	58.5%	58.5%	\$96.18	\$87.18	\$56.27	\$51.00	2.0%	2.0%
Halifax, NS	3,162	70.3%	71.0%	\$124.57	\$122.35	\$87.57	\$86.87	0.9%	0.0%
Montreal Downtown	9,669	69.2%	67.6%	\$154.97	\$154.68	\$107.24	\$104.56	1.0%	3.4%
Montreal Area	5,083	66.2%	67.1%	\$106.24	\$103.72	\$70.33	\$69.60	1.2%	-0.1%
Quebec City, QC	3,833	66.7%	67.8%	\$136.73	\$136.02	\$91.20	\$92.22	0.7%	-0.9%
Quebec Area	5,661	57.4%	58.4%	\$120.48	\$117.15	\$69.16	\$68.42	0.7%	-1.0%
Toronto Downtown	13,242	71.2%	71.9%	\$172.64	\$161.72	\$122.92	\$116.28	2.7%	1.7%
Toronto North/East	6,247	65.8%	64.6%	\$116.65	\$112.55	\$76.76	\$72.71	0.5%	2.4%
Toronto Airport/West	7,795	69.1%	69.6%	\$114.15	\$111.36	\$78.88	\$77.51	6.8%	5.9%
Ottawa, ON	6,434	70.2%	67.4%	\$131.43	\$128.92	\$92.26	\$86.89	0.0%	4.1%
Ontario East	3,888	59.8%	60.0%	\$102.82	\$98.88	\$61.49	\$59.33	0.7%	0.4%
Windsor/ Ontario SW	2,920	53.2%	54.4%	\$101.63	\$98.13	\$54.07	\$53.38	1.1%	-1.2%
London/ Kitchener	6,343	62.6%	61.3%	\$101.32	\$98.95	\$63.43	\$60.66	1.5%	3.7%
Ontario North/ Thunder Bay	1,868	68.2%	67.0%	\$84.88	\$80.50	\$57.89	\$53.94	0.0%	1.8%
Ontario NC/ Sudbury	4,069	61.9%	60.5%	\$102.19	\$100.38	\$63.26	\$60.73	1.8%	4.2%
Niagara Falls, ON	9,158	59.8%	58.7%	\$141.30	\$137.82	\$84.50	\$80.90	3.0%	4.8%
Ontario Central	3,145	57.9%	59.7%	\$106.08	\$96.80	\$61.42	\$57.79	3.7%	0.5%
Mississauga, ON	5,586	60.3%	59.9%	\$107.46	\$104.50	\$64.80	\$62.60	5.2%	5.8%
Winnipeg, MB	3,706	66.2%	64.0%	\$96.50	\$91.29	\$63.88	\$58.43	0.0%	3.5%
Regina/Saskatoon, SK	4,344	66.8%	65.2%	\$98.11	\$93.73	\$65.54	\$61.11	-0.8%	1.5%
Calgary, AB	8,584	75.9%	71.6%	\$130.12	\$117.24	\$98.76	\$83.94	0.7%	6.8%
Edmonton, AB	7,471	74.8%	68.6%	\$108.28	\$102.34	\$80.99	\$70.21	2.2%	11.4%
Alberta North Area	2,787	76.7%	73.7%	\$140.65	\$124.95	\$107.88	\$92.09	1.6%	5.8%
Alberta South Area	6,580	65.8%	66.3%	\$138.08	\$134.16	\$90.86	\$88.95	3.0%	2.2%
Vancouver Downtown	7,915	75.9%	72.7%	\$160.90	\$154.30	\$122.12	\$112.18	0.0%	4.3%
Vancouver/ Burnaby Area	2,155	73.5%	67.6%	\$110.66	\$104.23	\$81.34	\$70.46	0.0%	8.8%
Richmond-Surrey/ East Area	5,653	69.9%	67.3%	\$103.61	\$93.81	\$72.42	\$63.13	-1.9%	2.0%
British Columbia Area	5,559	55.5%	56.5%	\$144.63	\$139.37	\$80.27	\$78.74	1.8%	-0.1%
Kamloops/ Kelowna Area	4,268	57.0%	56.3%	\$100.35	\$97.60	\$57.20	\$54.95	0.7%	1.9%
Vancouver Island	3,991	65.6%	66.2%	\$125.04	\$123.01	\$82.03	\$81.43	0.5%	-0.3%
Provinces									
Alberta	25,422	73.1%	69.7%	\$126.53	\$117.89	\$92.49	\$82.17	2.0%	7.1%
British Columbia	29,241	66.3%	65.0%	\$130.51	\$124.69	\$86.53	\$81.05	0.7%	2.7%
Manitoba	4,486	64.4%	62.2%	\$93.94	\$88.85	\$60.50	\$55.26	0.2%	3.6%
New Brunswick	3,630	63.5%	63.3%	\$107.31	\$103.91	\$68.14	\$65.78	1.5%	1.9%
Newfoundland	1,839	63.7%	64.8%	\$119.82	\$116.63	\$76.33	\$75.58	2.8%	1.1%
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Quebec	24,246	65.4%	65.5%	\$134.69	\$133.38	\$88.09	\$87.36	0.9%	0.7%
Saskatchewan	5,990	64.9%	63.1%	\$93.05	\$88.49	\$60.39	\$55.84	-0.2%	2.6%
Yukon Territory	234	INS	INS	INS	INS	INS	INS	INS	IN
Canada	171,099	60.7%	60.3%	\$109.62	\$104.27	\$66.54	\$62.87	1.4%	2.1%

**CANADIAN LODGING OUTLOOK
HVS INTERNATIONAL - CANADA**

DEFINITIONS

Occupancy:	Rooms sold divided by rooms available.
Room Revenue:	Total room revenue generated from the sale or rental of rooms.
Average Daily Rate (ADR):	Room revenue divided by rooms sold.
Room Revenue Per Available Room (RevPAR):	Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR).

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