

Canadian July 2008 Lodging Outlook



HVS



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Year-to-Date RevPAR Performance

By: Betsy MacDonald, MAI, AACI, FRICS - HVS Canada

There are five markets in Canada with a RevPAR in excess of \$100 year-to-date through July 2008:

Market	YTD RevPAR	Percent Change (%)
Vancouver Downtown	\$127.26	2.6 %
Toronto Downtown	\$118.32	2.2
Calgary	\$112.70	4.9
British Columbia Area	\$107.51	4.6
Quebec City	\$101.31	24.7

Vancouver Downtown has the highest occupancy in the country (of the markets reporting) at 75.5% and an average room rate of \$168.55. This strength is attributable to the impact of the 2010 Olympics; the hosting city is typically popular two years in advance of and two years after the event. In addition, the economy is still growing in Western Canada. The British Columbia Area has the highest average room rate of all the markets reporting at \$171.47; however, the British Columbia Area includes the Whistler Resorts with their high ski-season rates. Edmonton has the second highest occupancy of all the markets at 73.3%, followed by Regina/Saskatoon at 72.1%.

Toronto Downtown reported a 70.3% occupancy at an average room rate of \$168.31. The average room rate is down from what it was in the same period in 2007, when it was \$168.49, both of which are almost identical with the Vancouver Downtown market.

Calgary reported a year-to-date occupancy of 71.5%, down from 74.2% in the previous comparable period; however, the average room rate increased 8.9% to \$157.62, up from \$144.81. Interestingly enough, room night demand in Calgary is actually down by 2.7% with a 1.0% increase in supply.

The British Columbia Area, which includes the Whistler Resorts, has an occupancy level of 62.7%, up marginally from 62.1% in the previous comparable period. The average room rate is \$171.47, up from \$165.56. Room night demand is up 1.5% while the supply has increased 0.6%.

Quebec City is having a good year despite the bad weather during the 400th anniversary celebration. Occupancy is 67.7% at an average room rate of \$149.87. Room night demand is up 11.7%, the highest in the country, and supply is up 1.8%. Congratulations to Quebec City on its 400th anniversary! ▲

Water Cooler

Paul Varteressian, joined us two years ago upon graduation from the Hotel School at Cornell University. He has recently transferred in the Vancouver office to our Toronto office. Paul (our token Cornell Hockey Player) is originally from Oakville, so he is heading back home! Paul can be reached at 416-686-2260 ext. 22.

Monique Rosszell, who has been with us for eight years, will soon have completed her demonstration report for the requirements in obtaining the AACI accreditation (Accredited Appraiser Canadian Institute). To acquire this designation, upon completion of 14 courses, a candidate must demonstrate all that he or she has learned through a demonstration report, submitted to the Appraisal Institute. It is likely the most comprehensive report an appraiser has to write, and the candidate is not even paid for it. Being a mother, working full-time and completing these courses has been challenging! We will enthusiastically celebrate her accomplishment. Monique has an undergraduate degree in economics from Queens University and a masters degree in hotel administration from Ecole Hoteliere de Lausanne in Switzerland. Monique can be reached at 416-686-2260 ext. 23.

In Vancouver, we have added two new people. Vi Thi Dang came to us from another appraisal firm. Vi Thi, who majored in economics at UBC, has completed all her appraisal courses (except the demonstration report), and she is enrolled in the hotel program at Royal Roads University this September. Jason Wight joined in June 2008. Jason recently graduated with a Bachelor of Hotel and Resort Management from the Haskayne School of Business at the University of Calgary.

That's about all that is new from HVS Canada!

July 2008	Number of Rooms	Occupancy Rate (%)		Average Room Rates (in \$CAD)		RevPAR (in \$CAD)		Room Supply % chg	Room Demand % chg
		2008	2007	2008	2007	2008	2007		
Nova Scotia Area	1,549	72.6%	79.0%	\$115.31	\$113.17	\$83.72	\$89.40	3.1%	-5.2%
Halifax, NS	3,561	75.5%	80.6%	\$133.99	\$137.23	\$101.16	\$110.61	-1.3%	-7.6%
Montreal Downtown	9,963	73.5%	77.8%	\$142.88	\$151.59	\$105.02	\$117.94	2.5%	-3.1%
Montreal Area	5,897	61.2%	67.7%	\$102.88	\$104.63	\$62.96	\$70.83	5.5%	-4.6%
Quebec City, QC	4,164	85.9%	78.9%	\$183.77	\$156.34	\$157.86	\$123.35	2.7%	11.8%
Quebec Area	5,638	64.5%	64.9%	\$128.48	\$129.09	\$82.87	\$83.78	0.0%	-0.7%
Toronto Downtown	13,826	74.5%	71.0%	\$153.22	\$158.60	\$114.15	\$112.61	0.4%	5.4%
Toronto North/East	6,687	68.7%	72.1%	\$116.05	\$113.70	\$79.73	\$81.98	4.3%	-0.7%
Toronto Airport/West	7,832	60.6%	62.8%	\$109.87	\$104.17	\$66.58	\$65.42	3.2%	-0.4%
Ottawa, ON	6,561	68.7%	70.5%	\$128.76	\$131.55	\$88.46	\$92.74	0.0%	-2.6%
Ontario East	4,176	67.4%	70.4%	\$115.31	\$114.25	\$77.72	\$80.43	1.3%	-3.1%
Windsor/ Ontario SW	3,757	56.5%	59.7%	\$111.76	\$107.85	\$63.14	\$64.39	7.0%	1.3%
London/ Kitchener	7,250	56.7%	61.7%	\$105.57	\$103.45	\$59.86	\$63.83	3.7%	-4.7%
Ontario North/ Thunder Bay	2,078	78.4%	76.3%	\$96.38	\$92.92	\$75.56	\$70.90	-0.3%	2.5%
Ontario NC/ Sudbury	4,552	69.5%	71.2%	\$120.83	\$119.63	\$83.98	\$85.18	-0.1%	-2.5%
Niagara Falls, ON	9,659	82.0%	81.7%	\$163.02	\$174.96	\$133.68	\$142.94	-0.8%	-0.6%
Ontario Central	3,861	67.1%	62.4%	\$113.55	\$112.70	\$76.19	\$70.32	1.8%	9.4%
Mississauga, ON	5,847	64.6%	67.0%	\$109.27	\$104.80	\$70.59	\$70.22	0.4%	-3.2%
Winnipeg, MB	3,344	67.1%	63.1%	\$106.49	\$97.35	\$71.45	\$61.43	-0.9%	5.4%
Regina/Saskatoon, SK	4,573	67.5%	69.9%	\$112.59	\$101.41	\$76.00	\$70.89	2.2%	-1.3%
Calgary, AB	8,486	79.7%	84.4%	\$179.52	\$174.88	\$143.08	\$147.60	1.0%	-4.5%
Edmonton, AB	8,613	72.3%	76.7%	\$127.88	\$122.41	\$92.46	\$93.89	4.9%	-1.1%
Alberta North Area	3,494	70.3%	78.5%	\$181.33	\$181.94	\$127.47	\$142.82	4.2%	-6.7%
Alberta South Area	9,779	75.4%	78.8%	\$175.51	\$172.77	\$132.33	\$136.14	3.0%	-1.5%
Vancouver Downtown	8,389	85.0%	86.7%	\$193.53	\$194.16	\$164.50	\$168.34	0.9%	-1.0%
Vancouver/ Burnaby Area	2,048	81.4%	86.9%	\$133.52	\$129.63	\$108.69	\$112.65	0.0%	-6.3%
Richmond-Surrey/ East Area	6,075	75.6%	81.2%	\$125.99	\$119.73	\$95.25	\$97.22	1.5%	-5.5%
British Columbia Area	6,292	67.8%	67.6%	\$144.71	\$138.15	\$98.11	\$93.39	0.3%	0.7%
Kamloops/ Kelowna Area	4,274	74.1%	76.3%	\$133.15	\$131.21	\$98.66	\$100.11	0.7%	-2.2%
Vancouver Island	4,033	77.3%	81.5%	\$157.18	\$160.86	\$121.50	\$131.10	0.4%	-4.8%
Provinces									
Alberta	30,372	73.8%	78.0%	\$150.50	\$147.18	\$111.07	\$114.80	3.3%	-2.3%
British Columbia	30,357	73.6%	77.3%	\$139.03	\$133.56	\$102.33	\$103.24	0.6%	-4.3%
Manitoba	4,267	66.9%	64.0%	\$90.71	\$83.66	\$60.68	\$53.54	-0.6%	3.9%
New Brunswick	4,391	67.4%	67.6%	\$107.92	\$105.65	\$72.74	\$71.42	5.6%	5.3%
Newfoundland	1,833	74.0%	81.5%	\$116.07	\$113.76	\$85.89	\$92.71	0.0%	-9.2%
Nova Scotia	5,110	69.6%	69.4%	\$121.45	\$120.56	\$84.53	\$83.67	1.4%	1.7%
Northwest Territories	124	INS	INS	INS	INS	INS	INS	INS	INS
Ontario	76,086	67.3%	68.9%	\$120.22	\$119.38	\$80.91	\$82.25	1.3%	-1.0%
Prince Edward Island	1,004	74.3%	76.1%	\$132.60	\$129.40	\$98.52	\$98.47	0.0%	-2.3%
Quebec	25,662	67.4%	71.4%	\$123.43	\$120.57	\$83.19	\$86.09	1.7%	-4.0%
Saskatchewan	6,256	70.4%	65.1%	\$95.87	\$89.87	\$67.49	\$58.51	0.9%	9.2%
Yukon Territory	630	78.7%	77.6%	\$110.33	\$107.53	\$86.83	\$83.44	0.0%	1.4%
Canada	186,092	70.1%	71.9%	\$127.29	\$124.33	\$89.23	\$89.39	1.5%	-0.9%

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Halifax, NS	3,561	65.9%	67.8%	\$128.37	\$124.78	\$84.60	\$84.60	1.7%	-1.3%
Montreal Downtown	9,963	61.7%	64.5%	\$149.26	\$150.70	\$92.09	\$97.20	2.9%	-1.6%
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Quebec City, QC	4,164	67.6%	61.6%	\$149.87	\$131.90	\$101.31	\$81.25	1.8%	11.7%
Quebec Area	5,638	55.2%	55.3%	\$128.83	\$124.51	\$71.11	\$68.85	0.0%	-0.3%
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Prince Edward Island	1,004	45.5%	44.9%	\$95.78	\$91.41	\$43.58	\$41.04	0.0%	1.4%
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Canada	186,092	59.1%	59.3%	\$118.78	\$113.67	\$70.20	\$67.41	1.6%	1.3%

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).

*If you have any questions regarding this publication please send a message to bmacdonald@hvs.com
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