

Canadian November 2003 Lodging Outlook



SMITH TRAVEL RESEARCH

2003 Canadian Hotel Transaction Survey

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In 2003, there were reportedly 55 hotels with a total of 7,159 guestrooms that changed hands across the country, representing approximately \$447-million in annual investment. The average price was approximately \$62,000 per room. The largest deal was the 607-room Wyndham Hotel in Montreal, which was purchased by CNL for \$68.2-million, or \$112,356 per room. This hotel is to be converted to the Hyatt Montreal Hotel. The second largest deal in the country was the 721-room Toronto Colony Hotel, which was purchased by the University of Toronto for a reported \$67-million, or \$92,926 per room. This hotel is being converted into student residences for the university.

In terms of hotel transactions and investment dollars, Ontario led the way with 19 properties sold with a total of approximately \$160.5-million in investment dollars. The average price per room was \$66,000. The highest grossing sale was the Toronto Colony Hotel at a reported \$67-million.

Quebec, with a reported \$133-million, was a close second in terms of investment dollars, but it had only five

hotel transactions - the largest being the Wyndham Montreal Hotel at \$68.2-million. In terms of average price per room, Quebec led the country with an average price per room of approximately \$87,000.

With 16 hotel transactions and \$97-million in investment dollars, Alberta's hotel transactions reflect an average price per room of \$56,000. The 313-room Sheraton Grande Edmonton, purchased by Sutton Place Hotel Group, sold for a reported \$17-million, or \$54,313 per room.

British Columbia reported 11 hotel transactions with a total of \$48-million in investment dollars. The 192-room Parkhill Hotel in Vancouver sold for \$16.5-million, or \$85,938 per room, while the other properties sold for between \$37,912 and \$246,739 per room. The average price per room for British Columbia was approximately \$56,700.

Saskatchewan reported having four hotel transactions totalling \$8.55-million. The Quality Hotel in Saskatoon sold for \$5.25-million, or \$28,378 per room. The Imperial 400 sales brought the average price per room for Saskatchewan down to \$13,857.

Fourteen properties sold for over \$10-million. These hotels, which represent 55% of the total invested dollars in the country, are the Parkhill Hotel in Vancouver, the Best Western Village Park Inn in Calgary, the Dynasty Inn in Banff, the Sheraton Grande in Edmonton, the Toronto Colony Hotel, the Holiday Inn Burlington Hotel and Conference Centre, the Holiday Inn Kitchener, the Holiday Inn Peterborough, the Holiday Inn Sarnia, the Holiday Inn Select in Quebec City, the Radisson Longueuil Montreal, the Renaissance du Parc in Montreal, and the Wyndham Montreal Hotel. Of the hotels that sold, 28 were properties with fewer than 100 rooms, 19 hotels had fewer than 200 rooms, and eight hotels had over 200 rooms.

The following table summarizes hotel transactions over the last twelve years.

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2003 Canadian Hotel Sales

Prov.	Month	Hotel Name	City	Rooms	Price	Price Per Room	Cap Rate (%)
BC	Jan.	August Jack Motel	Squamish	38	\$2,050,000	\$53,947	n/a
	Mar.	Travelodge Courtenay	Courtenay	91	\$3,450,000	\$37,912	12.0
	Mar.	BW Fireside Inn	Castlegar	59	\$2,600,000	\$44,068	n/a
	Apr.	Cedars Inn	Gibson	46	\$1,550,000	\$33,696	n/a
	Apr.	Riviera Hotel	Vancouver	41	\$6,500,000	\$158,537	n/a
	Apr.	Ramada Limited Surrey	Surrey	85	\$5,900,000	\$69,412	n/a
	July	Crystal Court Motel	Victoria	57	\$4,000,000	\$70,175	n/a
	Aug.	Abigail's Hotel	Victoria	23	\$5,675,000	\$246,739	n/a
	Aug.	Parkhill Hotel	Vancouver	192	\$16,500,000	\$85,938	n/a
	Dec.	Holiday Inn Vancouver Metrotown (1)	Vancouver	100	n/a	n/a	n/a
	Dec.	Ramada Vancouver Centre (1)	Vancouver	118	n/a	n/a	n/a
		11 Sales		850	\$48,225,000	\$56,735	
AB	Jan.	North Hill Inn	Red Deer	116	\$8,750,000	\$75,431	15.2
	Jan.	Best Western Green Gables	Canmore	61	\$4,700,000	\$77,049	11.9
	Jan.	International Inn	Nisku	29	\$2,000,000	\$68,966	11.8
	Feb.	Ramada Crowchild Inn (2)	Calgary	60	\$4,450,000	\$74,167	n/a
	Mar.	BW Village Park Inn	Calgary	160	\$12,700,000	\$79,375	12.8
	Mar.	Lord Nelson Inn	Calgary	56	\$2,900,000	\$51,786	n/a
	Mar.	Days Inn - Lethbridge (3)	Lethbridge	91	\$3,500,000	\$38,462	14.0
	Apr.	Dynasty Inn	Banff	99	\$12,525,000	\$126,515	n/a
	Apr.	Quality Inn Motel Village	Calgary	105	\$8,100,000	\$77,143	16.0
	May	Black Gold Inn	Drayton Valley	99	\$1,600,000	\$16,162	12.8
	May	Imperial Inn (3)	Cold Lake	72	\$2,814,000	\$39,083	n/a
	Mar.	Comfort Inn and Suites (3)	Edmonton	108	\$4,350,000	\$40,278	15.4
	Aug.	Rest E-Z Inn	Edmonton	40	\$1,000,000	\$25,000	n/a
	Sept.	Sheraton Grande Edmonton	Edmonton	313	\$17,000,000	\$54,313	12.0
	Oct.	Chateau Edmonton Quality Hotel & Suites	Edmonton	139	\$10,125,000	\$72,842	n/a
	Dec.	Holiday Inn Calgary Airport (1)	Calgary	170	n/a	n/a	n/a
		16 Sales		1,718	\$96,514,000	\$56,178	

(1) Sold as a portfolio of three properties

(2) Sales price includes 5.0 acres of excess land

(3) Share purchase

2003 Canadian Hotel Sales

Prov.	Month	Hotel Name	City	Rooms	Price	Price Per Room	Cap Rate (%)
SK	Jan.	Quality Hotel	Saskatoon	185	\$5,250,000	\$28,378	5.0
	Jul.	Imperial 400 Prince Albert (4)	Prince Albert	137	\$1,050,000	\$7,664	n/a
	Jul.	Imperial 400 Swift Current (4)	Swift Current	142	\$1,145,000	\$8,063	n/a
	Jul.	Imperial 400 Yorkton (4)	Yorkton	153	\$1,105,000	\$7,222	n/a
		4 Sales			617	\$8,550,000	\$13,857
ON	Jan.	Comfort Inn and Suites	St. Thomas	81	\$3,150,000	\$38,889	12.0
	Mar.	Park Inn	Niagara Falls	90	\$2,650,000	\$29,444	n/a
	Apr.	Idlewynd Inn	London	27	\$2,122,200	\$78,600	n/a
	Apr.	Glenerin Inn	Mississauga	39	\$3,065,400	\$78,600	n/a
	Apr.	Hochelaga Inn	Kingston	23	\$1,807,000	\$78,565	n/a
	Apr.	Howard Johnson Hotel	Bowmanville	62	\$2,885,000	\$46,532	12.0
	Apr.	Park Motel	Scarborough	17	\$1,580,000	\$92,941	n/a
	Jun.	Toronto Colony Hotel (5)	Toronto	721	\$67,000,000	\$92,926	6.1
	Jul.	Ramada Inn and Convention Center Oakville	Oakville	122	\$4,500,000	\$36,885	(1.6)
	Jul.	Heritage Inn	Etobicoke	72	\$6,600,000	\$91,667	n/a
	Sept.	Days Inn Ottawa West	Ottawa	129	\$7,450,000	\$57,752	n/a
	Sept.	Surfside Inn	Niagara Falls	31	\$1,000,000	\$32,258	n/a
	Oct.	Holiday Inn Burlington Hotel and Conf. Centre	Burlington	237	\$10,250,000	\$43,249	14.5
	Oct.	Genosha Hotel	Oshawa	86	\$1,130,000	\$13,140	n/a
	Oct.	Holiday Inn Cambridge	Cambridge	143	\$9,500,000	\$66,434	11.5
	Oct.	Holiday Inn Kitchener	Kitchener	183	\$12,800,000	\$69,945	11.3
	Oct.	Holiday Inn Peterborough	Peterborough	153	\$10,000,000	\$65,359	11.1
	Oct.	Holiday Inn Sarnia	Sarnia	151	\$10,900,000	\$72,185	12.4
	Dec.	Dynasty Inn	Oshawa	80	\$2,150,000	\$26,875	n/a
	19 Sales			2,447	\$160,539,600	\$65,607	
QC	Jan.	Holiday Inn Select	Quebec City	238	\$19,000,000	\$79,832	12.0
	May	Radisson Longueuil Montreal	Longueuil	214	\$15,100,000	\$70,561	n/a
	May	Renaissance du Parc (5)	Montreal	445	\$29,950,000	\$67,303	n/a
	Jun.	Auberge du Lac des Sables	Saint Agathe des Monts	23	\$1,137,500	\$49,457	n/a
	Dec.	Wyndham Hotel	Montreal	607	\$68,200,000	\$112,356	7.8
		5 Sales			1,527	\$133,387,500	\$87,353
	55 Hotel Transactions			7,159	\$447,216,100	\$62,469	

(4) Prices have been pro rated. The Imperial 400 Swift Current and the Imperial 400 Yorkton sold together for \$2.25-million

(5) Converted to Student Residences

CANADIAN LODGING OUTLOOK HVS INTERNATIONAL - CANADA

Hotel Transaction Summary for 1992-2003

Year	No. of Properties	No. of Rooms	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	\$78,081
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

Source: HVS International - Canada

HVS Canada has not verified all individual hotel sales in this newsletter. However, we collected the information from sources we deemed reliable, and the data is thought to be correct. We cannot warrant its accuracy and provide it for your convenience only. Use of this information without verification from original sources is at your own risk.

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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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