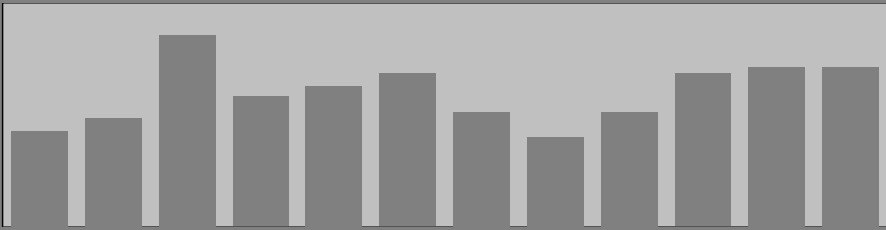




PKF

Toronto Hotel Industry Outlook



OUTLOOK 2009/2010

GTA Economic & Travel Indicators

2010 Outlook	2009	2010
GDP Growth	(2.7%)	3.1%
Business Travel Overnight Domestic	(8.7%)	3.7%
Pleasure Travel Overnight Domestic	(5.5%)	2.9%
U.S. Overnight Travel	(6.1%)	1.2%
Overseas Overnight Travel	(8.8%)	3.0%
Occupied Room Nights	(7.4%)	3.6%
Average Daily Rate	(7.9%)	2.0%

Source: Canadian Tourism Research Institute, Conference Board of Canada, Fall 2009; PKF Consulting Inc.



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GTA Market Outlooks

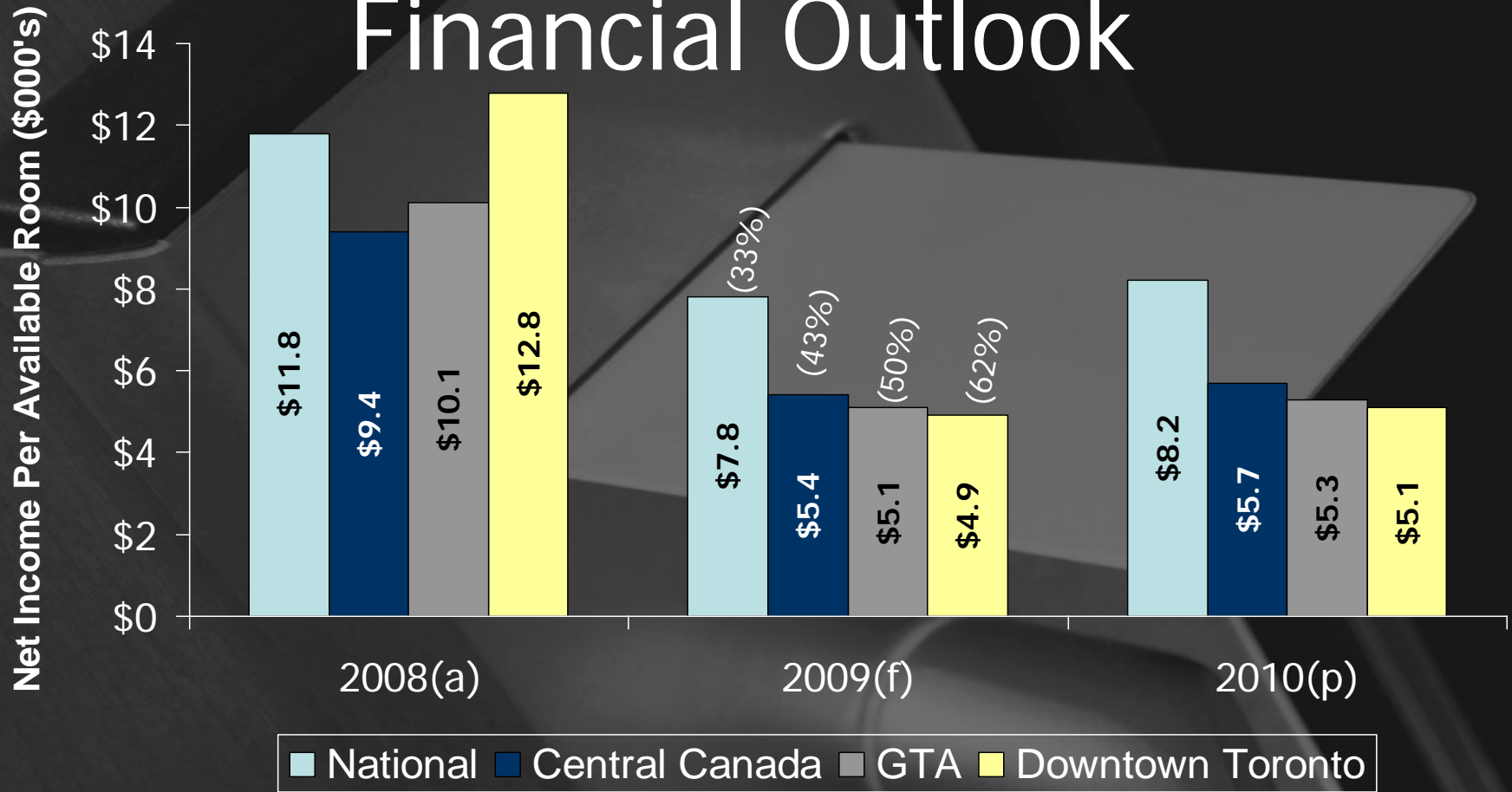
	2007	2008	2009F	2010P	%chg	2009	2010
<u>Downtown</u>					Supply	1.1%	1.7%
Occupancy	71%	72%	66%	67%	Demand	-7.0%	4.0%
ADR	\$168	\$167	\$147	\$150	ADR	-12.0%	2.0%
Revpar	\$119	\$120	\$97	\$101	Revpar	-19.0%	4.0%
<u>Airport</u>					Supply	1.3%	-1.4%
Occupancy	69%	66%	58%	60%	Demand	-11.0%	3.0%
ADR	\$118	\$120	\$115	\$117	ADR	-4.0%	2.0%
Revpar	\$82	\$79	\$66	\$71	Revpar	-17.0%	8.0%
<u>West</u>					Supply	2.5%	5.3%
Occupancy	63%	61%	55%	54%	Demand	-8.0%	4.0%
ADR	\$106	\$108	\$105	\$107	ADR	-3.0%	2.0%
Revpar	\$67	\$66	\$57	\$58	Revpar	-14.0%	1.0%
<u>East/North</u>					Supply	2.6%	1.8%
Occupancy	61%	61%	56%	56%	Demand	-6.0%	3.0%
ADR	\$114	\$114	\$111	\$113	ADR	-3.0%	2.0%
Revpar	\$70	\$70	\$62	\$64	Revpar	-11.0%	3.0%
<u>TOTAL GTA</u>					Supply	1.7%	1.8%
Occupancy	67%	66%	60%	61%	Demand	-7.4%	3.6%
ADR	\$137	\$138	\$127	\$129	ADR	-7.9%	2.0%
Revpar	\$92	\$91	\$76	\$79	Revpar	-17.0%	4.0%



Source: PKF Consulting Inc.

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Toronto Hotel Industry Financial Outlook



Source: PKF Consulting Inc.



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Industry Driven Impacts GTA

Overall 2009 Impact

- A \$200 million bottom line impact in the GTA

Market/Economic Driven Impact

- 750,000 ORN/6 points in occupancy

Industry Driven Impact

- An \$11 decrease in rates
- A \$100 million bottom line impact

If rates were held in 2009...

- Demand could have dropped another 600,000 ORN (5 points)

Long Term Impact

- This represents a \$1 billion balance sheet impact in the GTA



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**PKF
TORONTO**

David Larone
Brian Stanford
Fran Hohol
Rebecca Pickford
Erin O'Brien
Matthew Cornell
Tyler MacDonald
Xavier Pinto
James Pyo
Helen Hubbert

**PKF
VANCOUVER**

Beth Walters
David Ferguson
Cindy Schoenauer
Kirstin Hallett
Nigel Lucas
Trevor Scott
Carol Lopes

**PKF HOTEL
REALTY**

Jon Lantz

PKF HILL

Philip Holt

**PKF
ASSOCIATE**

Steve Rayner
AACI

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