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October 11, 2001

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RE: IMPACTS OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

Dear Alex and Scott:

In accordance with the terms of engagement, Pannell Kerr Forster is pleased to present the results of our analysis of the short-term impacts of the US Terrorist Attack on the accommodation industry in Canada.

I METHODOLOGY

Pannell Kerr Forster was retained on September 26, 2001 to undertake a survey of our *National Trends in the Hotel Industry*¹ participants. PKF contacted an estimated 470 accommodation operators in 17 markets, representing 88,000 rooms. Accommodation operators were asked a series of 4 questions regarding the Impact of the US Terrorist Attack on their operations:

1. **Budgets and Forecasts Pre and Post US Terrorist Attack**
 - a) What were your occupancy and rate projections for the months of September and October 2001, pre the attack?
 - b) Have these projections changed Post the Attack? If so, please provide your revised occupancy and rate projections for September and October 2001.

¹ On a monthly basis, PKF produces the *National Market Report, Trends in the Hotel Industry*, which tracks occupancy percentage, average daily rate, and revenue per available room for 86 geographic markets in Canada. Our sample consists of 156,000 rooms, representing over 1,000 accommodation properties.

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2. **Room Nights Cancelled in September and October 2001**
 - a) How many room nights have been cancelled at your property in September and October, directly as a result of the Terrorist Attack?
3. Estimate the **origin of the cancelled room nights** in September and October 2001.
4. Estimate the **type of business lost due to the cancelled room nights** in September and October 2001.

An estimated 51% of our Trends participants completed the survey (45,000 rooms). The 17 major markets and sub markets surveyed, represent 36% of Canada's accommodation rooms inventory of 359,650 rooms or approximately 85% of the major urban and resort markets in Canada (150,500 rooms). Table 1 provides a summary of the markets surveyed.

Table 1 Impacts of the US Terrorist Attack on Canada's Accommodation Industry Markets Surveyed and Response Rate			
Market	Total Rooms Inventory	PKF Trends Participants (rooms)	Completed Surveys (rooms)
Halifax	4,487	3,415	2,152
Montreal Downtown	8,550	7,653	3,056
Montreal Airport (Laval)	3,270	2,722	1,364
Ottawa	9,160	6,744	4,695
Kingston	2,100	1,238	448
Toronto Downtown	15,172	12,637	6,955
Toronto Airport	7,740	6,220	4,769
GTA East/North	7,367	7,215	3,207
GTA West	7,265	4,421	1,387
Niagara Falls	12,630	4,401	1,329
Windsor	2,400	1,733	1,108
Ontario Resorts*	3,510	1,535	703
Calgary	10,690	7,233	3,594
Alberta Resorts*	10,320	3,322	1,649
Vancouver Airport	4,220	4,062	2,061
Vancouver Downtown	12,750	9,668	5,294
Vancouver Other	6,920	4,111	1,255
Total	128,551	88,060	45,026
<i>Survey Response Rate</i>			<i>51%</i>
<i>* Resort inventories in Ontario and Alberta include major resort hotels catering to the leisure, group and meetings/convention markets.</i>			

Survey results have been weighted to reflect the total inventory in each market.

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II NATIONAL SURVEY RESULTS

- Room Nights Cancelled

Close to **780,000 room nights** were cancelled in Canada's major urban markets in September and October 2001 as a result of the US Terrorist Attack on September 11, 2001. Two-thirds of the room cancellations were received in September, immediately following the attack, with the balance in October.

Of the markets surveyed, the Niagara Falls market suffered the greatest number of room cancellations of pre-booked business in September and October, at 144,500 room nights.

The Toronto Downtown market reported room cancellations in the order of 104,000 room nights, with the Montreal and Vancouver Downtown markets each reporting over 86,000 room cancellations during the 2 month period.

Table 2 Impacts of the US Terrorist Attack on Canada's Accommodation Industry ROOM NIGHTS CANCELLED			
Market	Sept 01	Oct 01	Total
Halifax	14,529	9,456	23,985
Montreal Downtown	55,989	30,409	86,398
Montreal Airport (Laval)	7,091	6,039	13,130
Ottawa	29,441	15,823	45,264
Kingston	1,598	127	1,725
Toronto Downtown	60,529	43,697	104,226
Toronto Airport	25,839	16,408	42,247
GTA East/North	14,378	12,647	26,845
GTA West	22,266	6,500	28,766
Niagara Falls	104,661	39,838	144,499
Windsor	10,971	3,667	14,638
Ontario Resorts	5,013	2,157	7,170
Calgary	22,689	13,429	36,118
Alberta Resorts	47,732	18,343	66,075
Vancouver Airport	9,914	5,891	15,805
Vancouver Downtown	55,443	30,933	86,376
<u>Vancouver Other</u>	<u>24,791</u>	<u>11,072</u>	<u>35,863</u>
Total	512,874	266,256	779,130

Source: PKF Survey of Trends Participants, September and October 2001

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- **Origin of Cancellations**

Of the markets surveyed, over 54% of the room nights cancelled in September and October were from the United States, with a further 25% from overseas sources and 21% from domestic markets.

Table 3 Impacts of the US Terrorist Attack on Canada's Accommodation Industry ORIGIN OF ROOM NIGHTS CANCELLED			
Market	US	Overseas	Domestic
Halifax	29%	5%	66%
Montreal Downtown	58%	23%	19%
Montreal Airport (Laval)	36%	41%	24%
Ottawa	25%	23%	52%
Kingston	22%	17%	61%
Toronto Downtown	57%	23%	20%
Toronto Airport	64%	9%	27%
GTA East/North	60%	26%	15%
GTA West	49%	25%	26%
Niagara Falls	82%	13%	5%
Windsor	71%	3%	26%
Ontario Resorts	44%	0%	56%
Calgary	36%	27%	37%
Alberta Resorts	23%	71%	6%
Vancouver Airport	41%	23%	36%
Vancouver Downtown	54%	29%	17%
Vancouver Other	52%	24%	25%
Total	54%	25%	21%

Source: PKF Survey of Trends Participants, September and October 2001

Not too surprisingly, the percentage of U.S. cancelled room nights were the highest in the border communities of Windsor and Niagara Falls.

- **Type of Cancelled Business**

Of the markets surveyed, an estimated 227,345 room nights were cancelled group tour business (29%), with a further 186,470 room nights in cancelled corporate business (24%). Room night cancellations from meetings/convention delegates were estimated at 170,900 (22%), followed closely by independent leisure business at 169,150 room nights. The balance of cancelled business was received from the government sector and other sources of demand.

Table 4					
Impacts of the US Terrorist Attack on Canada's Accommodation Industry					
TYPE OF CANCELLED ROOM NIGHT BUSINESS					
Market	Corporate	Ind. Leisure	Group Tour	Mtg/Conv	Gov't/Other
Halifax	4,245	4,725	3,981	9,738	1,295
Montreal Downtown	29,030	9,072	16,156	30,671	1,469
Montreal Airport	4,950	1,169	5,423	893	696
Ottawa	9,596	3,214	15,933	10,048	6,473
Kingston	0	0	733	992	0
Toronto Downtown	28,245	12,507	21,679	40,127	1,668
Toronto Airport	17,026	7,731	5,408	10,815	1,225
GTA East/North	12,563	1,127	1,074	11,114	966
GTA West	12,456	3,164	8,457	2,445	2,244
Niagara Falls	17,051	74,706	52,453	0	289
Windsor	5,504	5,548	1,888	1,361	337
Ontario Resorts	1,269	265	129	5,485	22
Calgary	14,447	2,853	9,535	7,910	1,372
Alberta Resorts	1,322	9,581	46,319	6,872	1,982
Vancouver Airport	3,145	4,931	4,046	3,193	490
Vancouver Downtown	10,452	20,558	27,209	25,827	2,332
<u>Vancouver Other</u>	<u>15,170</u>	<u>7,997</u>	<u>6,921</u>	<u>3,407</u>	<u>2,367</u>
Total	186,471	169,148	227,344	170,898	25,227
	23.9%	21.7%	29.2%	21.9%	3.2%

Source: PKF Analysis of Survey of Trends Participants, September and October 2001

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- **Variiances to 2001 Occupancy Budgets Due to the US Terrorist Attack**

Relative to their original forecasts (pre September 11th), the Canadian hotel markets surveyed are expected to be 544,660 occupied room nights below budget in **September 2001** due to the US Terrorist Attack, of which about 512,875 occupied room nights were due to cancellations of pre booked business.

In **October 2001**, the hotel markets surveyed are expected to be 320,000 occupied room nights below budget, of which 266,255 occupied room nights represents cancelled bookings.

Table 5			
Impacts of the US Terrorist Attack on Canada's Accommodation Industry			
VARIANCES TO ORIGINAL 2001 OCCUPANCY BUDGETS			
(Occupied Room Nights)			
Market	Sept 01	Oct 01	Total
Halifax	(8,661)	(216)	(8,877)
Montreal Downtown	(55,988)	(48,677)	(104,665)
Montreal Airport	(9,539)	(9,322)	(18,861)
Ottawa	(31,363)	(9,370)	(40,733)
Kingston	(3,923)	(421)	(4,344)
Toronto Downtown	(65,830)	(17,003)	(82,833)
Toronto Airport	(30,968)	(12,785)	(43,753)
GTA East/North	(34,684)	(9,922)	(44,606)
GTA West	(26,735)	(14,926)	(41,661)
Niagara Falls	(100,409)	(59,789)	(160,198)
Windsor	(12,763)	(15,822)	(28,585)
Ontario Resorts	(7,989)	(16,033)	(24,022)
Calgary	(22,214)	(24,150)	(46,364)
Alberta Resorts	(51,827)	(22,830)	(74,657)
Vancouver Airport	(8,580)	(12,446)	(21,026)
Vancouver Downtown	(42,775)	(30,894)	(73,669)
<u>Vancouver Other</u>	<u>(30,408)</u>	<u>(15,294)</u>	<u>(45,702)</u>
Total	(544,656)	(319,900)	(864,556)
	63.0%	37.0%	

Source: PKF Analysis of Survey of Trends Participants, September and October 2001

In 4 of the markets surveyed (Halifax, Ottawa, Toronto Downtown, and Vancouver Downtown), the reported room nights cancelled in September and October were higher than the expected shortfalls in demand levels as compared to original budgets. (Refer to Tables 2 and 5). There may be several reasons for this:

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- Room nights cancelled in September may have been rebooked for later in September or in October; and
- Properties were able to infill some of the rooms demand lost through cancelled bookings.
- **Variances to 2001 Room Revenue Budgets Due to the US Terrorist Attack**

Relative to their original forecasts (pre September 11th), the Canadian hotel markets surveyed are expected to be **\$145.6 Million** below budget in rooms revenue in September and October. Typically, rooms revenue represents about 65% of total revenue for hotels.²

Close to \$100 Million of the rooms revenue shortfall was reported in September, with the 30% balance occurring in October 2001.

Table 6			
Impacts of the US Terrorist Attack on Canada's Accommodation Industry			
VARIANCES TO ORIGINAL 2001 ROOMS REVENUE BUDGETS			
(\$000)			
Market	Sept 01	Oct 01	Total
Halifax	(\$1,430)	(\$412)	(\$1,842)
Montreal Downtown	(\$9,638)	(\$8,723)	(\$18,361)
Montreal Airport	(\$1,200)	(\$1,137)	(\$2,337)
Ottawa	(\$4,846)	(\$2,604)	(\$7,450)
Kingston	(\$392)	(\$338)	(\$730)
Toronto Downtown	(\$14,360)	(\$121)	(\$14,481)
Toronto Airport	(\$4,335)	(\$1,956)	(\$6,291)
GTA East/North	(\$4,749)	(\$1,181)	(\$5,930)
GTA West	(\$4,042)	(\$2,740)	(\$6,782)
Niagara Falls	(\$15,489)	(\$4,208)	(\$19,697)
Windsor	(\$1,539)	(\$2,027)	(\$3,566)
Ontario Resorts	(\$1,051)	(\$2,905)	(\$3,956)
Calgary	(\$2,906)	(\$3,893)	(\$6,799)
Alberta Resorts	(\$18,724)	(\$6,282)	(\$25,006)
Vancouver Airport	(\$1,177)	(\$1,113)	(\$2,290)
Vancouver Downtown	(\$10,523)	(\$4,954)	(\$15,477)
<u>Vancouver Other</u>	<u>(\$3,067)</u>	<u>(\$1,512)</u>	<u>(\$4,579)</u>
Total	(\$99,468)	(\$46,106)	(\$145,574)
	68.3%	31.7%	

Source: PKF Analysis of Survey of Trends Participants, September and October 2001

² Source: *PKF Trends in the Hotel Industry, 2001 Canadian Edition*. Typical operating statement for All Hotels in Canada.

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Alberta Resorts, Niagara Falls, and the downtown markets of Montreal, Toronto and Vancouver reported the highest shortfalls in anticipated rooms revenue losses due to the attack.

III MARKET SURVEY RESULTS

Appendix A provides a summary of the survey results for each of the 17 markets and submarkets.

IV SUMMARY OF IMPACTS IN MAJOR URBAN AND RESORT MARKETS

The impacts of the recent terrorist attacks on the Canadian accommodation sector were felt immediately, with an estimated 545,000 room nights cancelled in the later half of September in major markets across Canada. Room night cancellations, non-booked business and lower rates resulted in close to a \$100 Million shortfall in anticipated room revenue budgets. The impacts in October were not as devastating, with an estimated 320,000 room nights cancelled in the major markets, and approximately \$46 Million in anticipated room revenue losses.

V ESTIMATED NATIONAL IMPACTS

Based on the results of the survey with the major urban and resort markets, our Trends database and a number of assumptions regarding impacts to the balance of Canada's rooms inventory, we have undertaken the following analysis of the overall National impacts of the US Terrorist Attack. The analysis has been based on the following assumptions:

Assumptions:

Rooms Inventory:

- Canada's accommodation industry is comprised of approximately 360,000 rooms. The subject analysis includes only properties in excess of 30+ rooms = 310,000 (Source: HAC).

Analysis of the Major Markets Surveyed:

- Analysis based on survey results.
- Forecasted impacts to Occupancy, ADR, and RevPar performance in September and October 2001, as a result of the US Terrorist Attack.
- Demand and rooms revenue shortfalls expected in September and October 2001 have been calculated based on the forecasted differences in occupancy and ADR, pre and post the Attack.

Analysis of Other Markets:

- Other markets include the balance of Canada's national inventory of 30+ rooms, which were not surveyed. PKF has assumed that the demand and rooms revenue shortfalls in these markets to be one-half of the impacts felt in the major urban markets surveyed. The forecasted occupancy, ADR and RevPar performance has been based on the expected demand and revenue shortfalls.

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National Accommodation Industry:

- Based on the weighted sum of the major markets surveyed and our assumptions regarding the other markets.

Estimated National Percentage Losses

- On a National level, the US Terrorist Attack resulted in an estimated 12.5% shortfall in demand in September, with a further 8% decline anticipated in October 2001, as compared to anticipated budget levels.
- Rooms revenue is expected to be down by 16% nationally in September, with a further 10% shortfall expected in October 2001.
- In September 2001, the industry is expected to be down 10 points in occupancy (from a budget of 78% to a revised budget of 67%), with a \$2.00 loss in Average Daily Rate (from a budget of \$125 to a revised budget of \$123)
- In October 2001, the impacts are expected to be less than September – as occupancies are anticipated to be down by 5 points (from a budget of 67% to a revised forecast of 62%), and a \$2.00 loss in Average Daily Rate (from a budget of \$114 to a revised forecast of \$112).

IMPACTS OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY September and October 2001			
	MAJOR MARKETS SURVEYED	OTHER MARKETS (estimated)	NATIONAL ACCOMMODATION INDUSTRY
Rooms Inventory (Including Properties 30+ rooms)	128,550	181,450	310,000
SEPT 2001			
PRE ATTACK BUDGETS			
<i>Occupancy</i>	83%	75%	78%
<i>ADR</i>	\$152	\$112	\$125
<i>RevPar</i>	\$118	\$83	\$98
<i>Demand Shortfall (occupied room nights)</i>	(17%)	(9%)	(12.5%)
<i>Rooms Revenue Shortfall</i>	(22%)	(12%)	(16%)
POST ATTACK REVISED PERFORMANCE			
<i>Occupancy</i>	69%	68%	68%
<i>ADR</i>	\$140	\$110	\$123
<i>RevPar</i>	\$97	\$75	\$84
OCT 2001			
PRE ATTACK BUDGETS			
<i>Occupancy</i>	75%	61%	67%
<i>ADR</i>	\$128	\$102	\$114
<i>RevPar</i>	\$96	\$62	\$76
<i>Demand Shortfall (occupied room nights)</i>	(11%)	(5%)	(8%)
<i>Rooms Revenue Shortfall</i>	(12%)	(6%)	(10%)
POST ATTACK REVISED BUDGET			
<i>Occupancy</i>	67%	58%	62%
<i>ADR</i>	\$126	\$100	\$112
<i>RevPar</i>	\$84	\$58	\$69
Source: Pannell Kerr Forster			

Estimated National Revenue Losses

Based on our analysis:

- On a national level, \$127 Million in lost rooms revenue in September 2001, with a further \$70 Million is anticipated to be lost in October 2001.

Assuming rooms revenue represents about 65% of overall revenues for hotels, the **total revenue losses are in the order of:**

- **\$195 Million in September 2001, with a further \$107 Million in losses projected in October.**

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VI IN CONCLUSION

Pannell Kerr Forster will continue to measure the impacts of this event over Q4 2001, as our Trends participants report their month end operating statistics, published in our ***National Market Report***.

We appreciate this opportunity to provide our services in this analysis. Should you have any questions regarding the preceding analysis, please do not hesitate to contact us at your convenience.

Yours very truly,

A handwritten signature in cursive script that reads "Pannell Kerr Forster Consulting Inc".

PANNELL KERR FORSTER CONSULTING INC.

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APPENDIX A

**SUMMARY OF
INDIVIDUAL MARKETS SURVEYED**

Impacts of the US Terrorist Attack on the Accommodation Industry in Canada
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Pannell Kerr Forster Consulting Inc.



IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

TORONTO DOWNTOWN

Total Room Inventory 15,172

Occupancy Average Daily Rate

Historical 2000 Actual Results

YTD Aug 2000	71%	\$156
Sep-00	89%	\$181
Oct-00	80%	\$167
Annual 2000	71%	\$158
YTD Aug 2001	71%	\$160

Pre-Terrorist Attack Budgets

Sep-01	82%	\$178
Oct-01	74%	\$165

Revised Post Terrorist Attack Budgets

Sep-01	68%	\$168
Oct-01	70%	\$172

ROOM NIGHT CANCELLATIONS

	<i>Sample</i>		<i>Weighted</i>
Sep-01	6,496	25,916	58%
Oct-01		18,709	42%
Total		44,625	100%
			60,529
			43,697
			104,226

ORIGIN OF CANCELLATIONS

US	57%	58,992
Overseas	23%	24,180
Domestic	20%	21,054
Total	100%	104,226

TYPE OF LOST BUSINESS

Corporate	27%	28,245
Independent Leisure	12%	12,507
Group Tour	21%	21,679
Meetings/Conventions	39%	40,127
Government/Other	2%	1,668
Total	100%	104,226

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

TORONTO AIRPORT

Total Room Inventory 7,740

Occupancy Average Daily Rate

Historical 2000 Actual Results

YTD Aug 200	76%	\$110
Sep-00	84%	\$117
Oct-00	75%	\$115
Annual 2000	74%	\$111
YTD Aug 200	70%	\$113

Pre-Terrorist Attack Budgets

Sep-01	76%	\$116
Oct-01	68%	\$114

Revised Post Terrorist Attack Budgets

Sep-01	63%	\$111
Oct-01	63%	\$111

ROOM NIGHT CANCELLATIONS

	<i>Sample</i>	<i>4,769</i>	<i>Weighted</i>	
Sep-01	15,921	61%	25,839	
Oct-01	10,110	39%	16,408	
Total	26,031	100%	42,248	

ORIGIN OF CANCELLATIONS

US	64%	27,081
Overseas	9%	3,718
Domestic	27%	11,449
Total	100%	42,248

TYPE OF LOST BUSINESS

Corporate	40%	17,026
Independent Leisure	18%	7,731
Group Tour	13%	5,408
Meetings/Conventions	26%	10,815
Government/Other	3%	1,225
Total	100%	42,206

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

GTA EAST/NORTH

Total Room Inventory **7,367**

Occupancy Average Daily Rate

Historical 2000 Actual Results

YTD Aug 2000	67%	\$109
Sep-00	84%	\$114
Oct-00	71%	\$111
Annual 2000	67%	\$109
YTD Aug 2001	66%	\$110

Pre-Terrorist Attack Budgets

Sep-01	81%	\$115
Oct-01	69%	\$111

Revised Post Terrorist Attack Budgets

Sep-01	65%	\$109
Oct-01	64%	\$111

ROOM NIGHT CANCELLATIONS

<i>Sample</i>	<i>3,207</i>	<i>Weighted</i>	
Sep-01	6,259	54%	14,378
Oct-01	5,427	46%	12,467
Total	11,686	100%	26,845

ORIGIN OF CANCELLATIONS

US	60%	15,973
Overseas	26%	6,980
Domestic	15%	3,892
Total	100%	26,845

TYPE OF LOST BUSINESS

Corporate	47%	12,563
Independent Leisure	4%	1,127
Group Tour	4%	1,074
Meetings/Conventions	41%	11,114
Government/Other	4%	966
Total	100%	26,845

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

GTA WEST			
Total Room Inventory	7,265		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
YTD Aug 2000		72%	\$102
Sep-00		83%	\$104
Oct-00		74%	\$104
Annual 2000		71%	\$102
YTD Aug 2001		69%	\$101
Pre-Terrorist Attack Budgets			
	Sep-01	80%	\$112
	Oct-01	71%	\$111
Revised Post Terrorist Attack Budgets			
	Sep-01	67%	\$105
	Oct-01	64%	\$104

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	4,251	77%	22,266
Oct-01	1,241	23%	6,500
Total	5,492	100%	28,767

ORIGIN OF CANCELLATIONS		
US	49%	13,981
Overseas	25%	7,249
Domestic	26%	7,537
Total	100%	28,767

TYPE OF LOST BUSINESS		
Corporate	43%	12,456
Independent Leisure	11%	3,164
Group Tour	29%	8,457
Meetings/Conventions	9%	2,445
Government/Other	8%	2,244
Total	100%	28,767

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

OTTAWA

Total Room Inventory	9,160		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
	YTD Aug 2000	75%	\$119
	Sep-00	88%	\$125
	Oct-00	83%	\$128
	Annual 2000	74%	\$121
	YTD Aug 2001	71%	\$129
Pre-Terrorist Attack Budgets			
	Sep-01	84%	\$135
	Oct-01	79%	\$138
Revised Post Terrorist Attack Budgets			
	Sep-01	72%	\$133
	Oct-01	75%	\$133

ROOM NIGHT CANCELLATIONS

	<i>Sample</i>	<i>4,695</i>	<i>Weighted</i>	
Sep-01		15,090	65%	29,441
Oct-01		8,110	35%	15,823
Total		23,200	100%	45,263

ORIGIN OF CANCELLATIONS

US	25%	11,316
Overseas	23%	10,456
Domestic	52%	23,492
Total	100%	45,263

TYPE OF LOST BUSINESS

Corporate	21%	9,596
Independent Leisure	7%	3,214
Group Tour	35%	15,933
Meetings/Conventions	22%	10,048
Government/Other	14%	6,473
Total	100%	45,263

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

KINGSTON			
Total Room Inventory	2,100		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
	YTD Aug 2000	64%	\$94
	Sep-00	83%	\$102
	Oct-00	74%	\$91
	Annual 2000	63%	\$93
	YTD Aug 2001	65%	\$100
Pre-Terrorist Attack Budgets			
	Sep-01	84%	\$106
	Oct-01	75%	\$94
Revised Post Terrorist Attack Budgets			
	Sep-01	78%	\$106
	Oct-01	74%	\$88

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	448	93%	1,598
Oct-01	27	7%	127
Total	368	100%	1,725

ORIGIN OF CANCELLATIONS		
US	22%	376
Overseas	17%	297
Domestic	61%	1,052
Total	100%	1,725

TYPE OF LOST BUSINESS		
Corporate	0%	0
Independent Leisure	0%	0
Group Tour	43%	733
Meetings/Conventions	58%	992
Government/Other	0%	0
Total	100%	1,725

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

ONTARIO RESORTS			
Total Room Inventory	3,510		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
	YTD Aug 2000	57%	\$149
	Sep-00	73%	\$163
	Oct-00	58%	\$140
	Annual 2000	56%	\$148
	YTD Aug 2001	53%	\$157
Pre-Terrorist Attack Budgets			
	Sep-01	76%	\$181
	Oct-01	61%	\$155
Revised Post Terrorist Attack Budgets			
	Sep-01	69%	\$186
	Oct-01	46%	\$147

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	1,004	70%	5,013
Oct-01	432	30%	2,157
Total	1,436	100%	7,170

ORIGIN OF CANCELLATIONS		
US	44%	3,169
Overseas	0%	0
Domestic	56%	4,001
Total	100%	7,170

TYPE OF LOST BUSINESS		
Corporate	18%	1,269
Independent Leisure	4%	265
Group Tour	2%	129
Meetings/Conventions	77%	5,485
Government/Other	0%	22
Total	100%	7,170

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

NIAGARA FALLS			
Total Room Inventory	12,630	Occupancy	Average Daily Rate
Historical 2000 Actual Results			
YTD Aug 200		63%	\$109
Sep-00		85%	\$109
Oct-00		69%	\$90
Annual 2000		61%	\$104
YTD Aug 200		60%	\$128
Pre-Terrorist Attack Budgets			
	Sep-01	91%	\$121
	Oct-01	74%	\$100
Revised Post Terrorist Attack Budgets			
	Sep-01	64%	\$107
	Oct-01	59%	\$108

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	11,013	72%	104,661
Oct-01	4,192	28%	39,838
Total	15,205	100%	144,499

ORIGIN OF CANCELLATIONS		
US	82%	118,489
Overseas	13%	18,785
Domestic	5%	7,225
Total	100%	144,499

TYPE OF LOST BUSINESS		
Corporate	12%	17,051
Independent Leisure	52%	74,706
Group Tour	36%	52,453
Meetings/Conventions	0%	0
Government/Other	0%	289
Total	100%	144,499

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

WINDSOR			
Total Room Inventory	2,400		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
	YTD Aug 2000	68%	\$105
	Sep-00	68%	\$105
	Oct-00	68%	\$106
	Annual 2000	66%	\$105
	YTD Aug 2001	64%	\$110
Pre-Terrorist Attack Budgets			
	Sep-01	73%	\$108
	Oct-01	73%	\$108
Revised Post Terrorist Attack Budgets			
	Sep-01	55%	\$104
	Oct-01	52%	\$100

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	5,065	75%	10,971
Oct-01	1,693	25%	3,667
Total	6,758	100%	14,638

ORIGIN OF CANCELLATIONS		
US	71%	10,393
Overseas	3%	454
Domestic	26%	3,791
Total	100%	14,638

TYPE OF LOST BUSINESS		
Corporate	38%	5,504
Independent Leisure	38%	5,548
Group Tour	13%	1,888
Meetings/Conventions	9%	1,361
Government/Other	2%	337
Total	100%	14,638

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

HALIFAX			
Total Room Inventory	4,487		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
YTD Aug 2000		75%	\$108
Sep-00		94%	\$119
Oct-00		83%	\$111
Annual 2000		74%	\$108
YTD Aug 2001		75%	\$110
Pre-Terrorist Attack Budgets			
	Sep-01	95%	\$125
	Oct-01	84%	\$116
Revised Post Terrorist Attack Budgets			
	Sep-01	88%	\$122
	Oct-01	84%	\$120

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	6,968	61%	14,529
Oct-01	4,535	39%	9,456
Total	11,503	100%	23,984

ORIGIN OF CANCELLATIONS		
US	29%	6,979
Overseas	5%	1,247
Domestic	66%	15,758
Total	100%	23,984

TYPE OF LOST BUSINESS		
Corporate	18%	4,245
Independent Leisure	20%	4,725
Group Tour	17%	3,981
Meetings/Conventions	41%	9,738
Government/Other	5%	1,295
Total	100%	23,984

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

MONTREAL DOWNTOWN			
Total Room Inventory	8,550		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
	YTD Aug 2000	70%	\$136
	Sep-00	91%	\$147
	Oct-00	86%	\$143
	Annual 2000	71%	\$135
	YTD Aug 2001	69%	\$143
Pre-Terrorist Attack Budgets			
	Sep-01	91%	\$154
	Oct-01	86%	\$151
Revised Post Terrorist Attack Budgets			
	Sep-01	69%	\$149
	Oct-01	67%	\$143

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	20,012	65%	55,989
Oct-01	10,869	35%	30,409
Total	30,881	100%	86,398

ORIGIN OF CANCELLATIONS		
US	58%	50,024
Overseas	23%	19,699
Domestic	19%	16,675
Total	100%	86,398

TYPE OF LOST BUSINESS		
Corporate	34%	29,030
Independent Leisure	11%	9,072
Group Tour	19%	16,156
Meetings/Conventions	36%	30,671
Government/Other	2%	1,469
Total	100%	86,398

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

MONTREAL AIRPORT/LAVAL			
Total Room Inventory	3,270		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
	YTD Aug 2000	73%	\$97
	Sep-00	86%	\$96
	Oct-00	78%	\$96
	Annual 2000	74%	\$96
	YTD Aug 2001	74%	\$101
Pre-Terrorist Attack Budgets			
	Sep-01	91%	\$103
	Oct-01	83%	\$104
Revised Post Terrorist Attack Budgets			
	Sep-01	82%	\$100
	Oct-01	74%	\$101

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	2,958	54%	7,091
Oct-01	2,519	46%	6,039
Total	5,477	100%	13,130

ORIGIN OF CANCELLATIONS		
US	36%	4,701
Overseas	41%	5,331
Domestic	24%	3,099
Total	100%	13,130

TYPE OF LOST BUSINESS		
Corporate	38%	4,950
Independent Leisure	9%	1,169
Group Tour	41%	5,423
Meetings/Conventions	7%	893
Government/Other	5%	696
Total	100%	13,130

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

ALBERTA RESORTS

Total Room Inventory 10,320

Occupancy Average Daily Rate

Historical 2000 Actual Results

YTD Aug 2000	72%	\$199
Sep-00	86%	\$245
Oct-00	64%	\$153
Annual 2000	68%	\$194
YTD Aug 2001	69%	\$207

Pre-Terrorist Attack Budgets

Sep-01	88%	\$288
Oct-01	65%	\$180

Revised Post Terrorist Attack Budgets

Sep-01	72%	\$271
Oct-01	58%	\$168

ROOM NIGHT CANCELLATIONS

	<i>Sample</i>		<i>Weighted</i>
Sep-01	1,649	72%	47,732
Oct-01	2,931	28%	18,343
Total	10,558	100%	66,076

ORIGIN OF CANCELLATIONS

US	23%	15,197
Overseas	71%	47,178
Domestic	6%	3,700
Total	100%	66,076

TYPE OF LOST BUSINESS

Corporate	2%	1,322
Independent Leisure	15%	9,581
Group Tour	70%	46,319
Meetings/Conventions	10%	6,872
Government/Other	3%	1,982
Total	100%	66,076

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

CALGARY			
Total Room Inventory	10,690		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
YTD Aug 2000		67%	\$113
Sep-00		78%	\$111
Oct-00		64%	\$110
Annual 2000		65%	\$112
YTD Aug 2001		67%	\$109
Pre-Terrorist Attack Budgets			
	Sep-01	80%	\$109
	Oct-01	66%	\$108
Revised Post Terrorist Attack Budgets			
	Sep-01	73%	\$107
	Oct-01	59%	\$102

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	7,628	63%	22,689
Oct-01	4,515	37%	13,429
Total	12,143	100%	36,118

ORIGIN OF CANCELLATIONS		
US	36%	13,075
Overseas	27%	9,716
Domestic	37%	13,328
Total	100%	36,118

TYPE OF LOST BUSINESS		
Corporate	40%	14,447
Independent Leisure	8%	2,853
Group Tour	26%	9,535
Meetings/Conventions	22%	7,910
Government/Other	4%	1,372
Total	100%	36,118

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

VANCOUVER AIRPORT (RICHMOND)			
Total Room Inventory	4,220		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
YTD Aug 2000		66%	\$92
Sep-00		76%	\$98
Oct-00		61%	\$86
Annual 2000		64%	\$91
YTD Aug 2001		69%	\$92
Pre-Terrorist Attack Budgets			
	Sep-01	82%	\$101
	Oct-01	65%	\$89
Revised Post Terrorist Attack Budgets			
	Sep-01	75%	\$98
	Oct-01	56%	\$89

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	4,842	63%	9,914
Oct-01	2,877	37%	5,891
Total	7,719	100%	15,805

ORIGIN OF CANCELLATIONS		
US	41%	6,496
Overseas	23%	3,556
Domestic	36%	5,753
Total	100%	15,805

TYPE OF LOST BUSINESS		
Corporate	20%	3,145
Independent Leisure	31%	4,931
Group Tour	26%	4,046
Meetings/Conventions	20%	3,193
Government/Other	3%	490
Total	100%	15,805

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMOATION INDUSTRY

VANCOUVER DOWNTOWN			
Total Room Inventory	12,750		
		Occupancy	Average Daily Rate
Historical 2000 Actual Results			
YTD Aug 2000		68%	\$148
Sep-00		86%	\$173
Oct-00		68%	\$142
Annual 2000		66%	\$145
YTD Aug 2001		69%	\$151
Pre-Terrorist Attack Budgets			
	Sep-01	83%	\$173
	Oct-01	66%	\$142
Revised Post Terrorist Attack Budgets			
	Sep-01	72%	\$162
	Oct-01	58%	\$140

ROOM NIGHT CANCELLATIONS			
	<i>Sample</i>		<i>Weighted</i>
Sep-01	23,021	64%	55,443
Oct-01	12,844	36%	30,933
Total	35,865	100%	86,377

ORIGIN OF CANCELLATIONS		
US	54%	46,816
Overseas	29%	25,308
Domestic	17%	14,252
Total	100%	86,377

TYPE OF LOST BUSINESS		
Corporate	12%	10,452
Independent Leisure	24%	20,558
Group Tour	32%	27,209
Meetings/Conventions	30%	25,827
Government/Other	3%	2,332
Total	100%	86,377

IMPACT OF THE US TERRORIST ATTACK ON CANADA'S ACCOMMODATION INDUSTRY

VANCOUVER OTHER

Total Room Inventory 6,920

Occupancy Average Daily Rate

Historical 2000 Actual Results

YTD Aug 2000	64%	\$87
Sep-00	77%	\$95
Oct-00	61%	\$80
Annual 2000	63%	\$86
YTD Aug 2001	63%	\$89

Pre-Terrorist Attack Budgets

Sep-01	81%	\$97
Oct-01	64%	\$82

Revised Post Terrorist Attack Budgets

Sep-01	67%	\$96
Oct-01	57%	\$79

ROOM NIGHT CANCELLATIONS

	<i>Sample</i>	<i>1,255</i>	<i>Weighted</i>	
Sep-01	4,496	69%	24,791	
Oct-01	2,008	31%	11,072	
Total	6,504	100%	35,863	

ORIGIN OF CANCELLATIONS

US	52%	18,469
Overseas	24%	8,464
Domestic	25%	8,930
Total	100%	35,863

TYPE OF LOST BUSINESS

Corporate	42%	15,170
Independent Leisure	22%	7,997
Group Tour	19%	6,921
Meetings/Conventions	10%	3,407
Government/Other	7%	2,367
Total	100%	35,863