

Canada: Q3 2008 Lodging Report

An Executive Summary of the Construction Pipeline & Three-Year Forecast for New Hotel Openings



Pipeline Highlights at Q3

• The Construction Pipeline peaked in Q1 2008 and now stands at 231 projects/29,517 rooms.

• At 83 projects/10,997 rooms, 36% of Pipeline projects are already Under Construction and near certain to come online as New Supply.

• A further 36% of the Pipeline, 83 projects/10,426 rooms are Scheduled to Start Construction in the Next 12 Months.

• 80% of Total Pipeline projects have already made branding decisions. The remaining 20% are currently classified as Independents, approximately 70% of which will make a branding decision prior to opening.

• For branded projects, development is heaviest in the Upscale, Midscale w/o F&B and Economy segments. The average project size is 127 rooms.

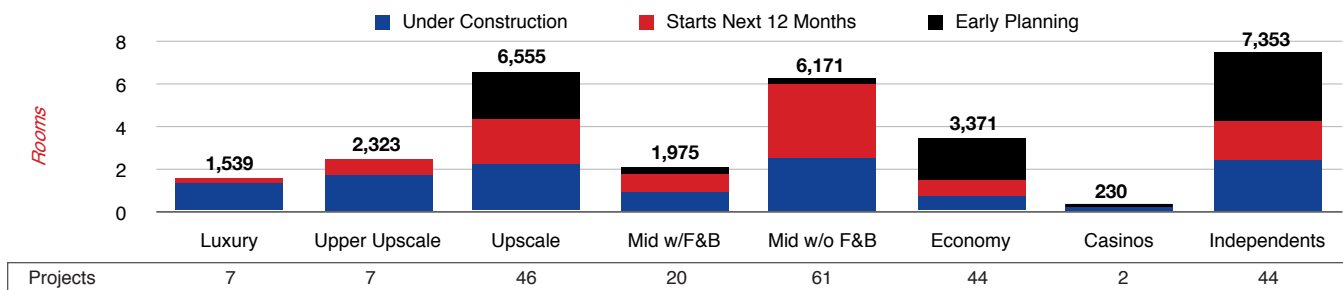
Construction Pipeline Totals	Q3 2008		Q3 2007		Variance YoY	
	Total Projs	Total Rms	Total Projs	Total Rms	Projs	Rms
	Under Construction	83	10,997	96	12,815	-13
Scheduled Starts Next 12 Mos	83	10,426	86	10,206	-3	220
Early Planning	65	8,094	78	9,384	-13	-1,290
Total Pipeline	231	29,517	260	32,405	-29	-2,888

Pipeline Overview

Canada's Total Construction Pipeline finished at 231 projects/29,517 rooms in Q3. Approximately 80% of these projects are already affiliated with a Brand. The branded Pipeline is dominated by the Upscale, Midscale w/o F&B and Economy segments, with 20%, 26% and 19% of Total Projects, respectively. 79% of the Pipeline's Total Projects are sized at 200 rooms or less.

44 projects having a total of 7,353 rooms are currently categorized as Independents. It is expected that 70% will make a branding decision before opening, and thus will later be recategorized into the appropriate chain scale segment.

101 projects/16,645 rooms, some 56% of the Total Pipeline Rooms, are located in just 6 cities: Toronto, Niagara Falls, Vancouver, Edmonton, Montreal, and Calgary.



LE's Three-Year Forecast for New Hotel Openings

In the first three-quarters of 2008, 56 new hotels/6,768 rooms came online. LE's Forecast for New Hotel Openings for the fourth quarter calls for 18 new hotels/1,862 rooms to open, a gross growth rate of 3.1% for New Supply before removals from inventory. In 2009, 70 new hotels/8,746 rooms are expected to come online, a gross growth rate of 3.1%. LE's Forecast for 2010 expects 73 new hotels/8,629 rooms to open, a gross growth rate of 2.9%. LE's Forecast for New Hotel Openings is based on current development trends and Pipeline totals as of the end of Q3 2008. The Forecast does not account for any unforeseen changes in economic or lodging operation fundamentals that could alter these trends going forward.

To learn more about LE's Reports for Canada or for any country or region worldwide, customized specifically for Vendors to the Lodging Industry, please complete the attached fax response form. LE specializes in Sales Solution Programs for Vendors that include:

Target Accounts: Individual Sales Lead Records

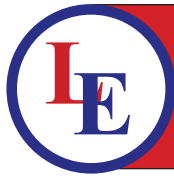
All the details needed to call on the most important accounts when decisions about your product or service are being considered

Target Accounts: Contact Names for Owners & Management of Open & Operating Hotels (Census)

Essential for conducting telemarketing and direct mail activities to prospect for product replacement programs

Strategic Planning Reports

Direct your sales force with an executive summary that includes project and guestroom counts for each of your Sales Reps and their Territories, Key Developers and their Project Team Members, and for every Company and Brand



Sales Solution Programs for Vendors - Canada

Strategic Planning Summaries, Sales Lead Project Records, Contact Names for Owners & Management



LE, the Global Authority for Hotel Real Estate, specializes in customizing Sales Solution Programs for Lodging Vendors looking to expand market share in the Canada or any other market, country or region - worldwide.

Lodging Econometrics (LE) provides Sales Solution Programs for Vendors that include Strategic Planning Summaries and Individual Development Pipeline Records that identify every potential sales opportunity available for your particular product and direct you to each key decision-maker. With LE's Sales Solution, you will maximize your market share, increase your market penetration, outpace the competition every time, and save time and budgetary dollars spent gathering market research. Let LE provide the market intelligence for you with a Sales Solution customized to your exacting specifications.

If you would like information about LE's Sales Solution Program for Canada or for any other market, country or region worldwide, please place a check next to the LE products of interest to you. Our sales representatives will then send samples for your consideration.

Sales Solution Products	Features	Applications
<input type="checkbox"/> Strategic Planning Summaries	Development Pipeline Summaries with a Three-Year Forecast for New Hotel Openings for: <ul style="list-style-type: none"> • Sales Reps and their Territories • Key Developers and their Project Team Members (Architect, Designer, Purchasing Agent, etc.) • For each Company and Brand • Project and guest room counts are displayed for all portfolio views and are revised quarterly • New Project Announcements are added, and Cancellations are removed 	View all potential business available: Motivate and guide your sales teams, determine high volume accounts and key decision-makers, provide specific account direction from the home office to field staff, and allocate resources to maximize market share Essential for strategic planning by: Senior Corporate Executives, Sales, Marketing, Advertising and Promotion Directors, and Strategic Planners
<input type="checkbox"/> Individual Development Pipeline Records Include New Hotel Construction, Reflaggings and Announced Renovations	Development Sales Lead Records include: <ul style="list-style-type: none"> • Comprehensive Contact information for the Developer and his Project Team Members (Architect, Designer, Purchasing Agent, Contractor, Project Manager) as they are announced • Project start and completion dates, updated quarterly 	Guide your sales teams to the decision-makers Development Sales Leads are ideal for: Sales Directors, Home Office Sales Teams, Territory Managers and Sales Reps
<input type="checkbox"/> Contact Names for Owners & Management of Open & Operating Hotels (Ownership)	Ownership and Management Records provide: <ul style="list-style-type: none"> • Name, address, phone and fax numbers for the Owner, Management Group and Hotel • Detailed commentary on the hotel property 	Prospect for product replacement programs This critical contact data is used by: Sales Directors and Direct Mail and Telemarketing Managers

Please describe the products/services you provide to the lodging industry.

What are your most important sales objectives?

Which Companies and Brands are of interest to you?

For New Construction, at what stage in the project do you begin your sales initiatives?

Currently Under Construction (# of months before opening)

0-6 Months 6-18 Months Greater than 18 Months

Construction Not Yet Started (# of months before construction start date)

0-6 Months 6-18 Months Greater than 18 Months

Does your sales team make sales calls on existing Open and Operating Hotels? Yes No

Does your company conduct direct mail programs? Yes No Telemarketing programs? Yes No

Name: _____ Title: _____

Company: _____ Phone: _____

Address: _____ Email: _____

City: _____ State: _____ Zip: _____ Country: _____

Please complete this response form and email to LE at hotels@lodgingeconometrics.com or fax to LE at +1 603-431-4418.

LE has a Sales Solution Program for Vendors for all countries and regions worldwide:

• United States • Caribbean, Mexico & Central America • South America • Europe • Middle East • Africa • Asia Pacific