

LODGING REAL ESTATE OVERVIEW

With 153 projects/19,181 rooms at the end of Q4 2009, the total Construction Pipeline has fallen 42% by projects and 44% by rooms from the peak in Q1 2008. The total project count is the lowest LE has recorded, while the room count is at its lowest since Q4 2004. Proportionately, the declines in Canada's Pipeline are not yet as precipitous as in the United States, as Pipeline contractions are running 3-6 months behind the pace set in the US.

Pipeline declines will continue into the middle of the decade, likely for one to two years after a recovery in operations firmly takes hold.

LE's Construction Pipeline: By Stage

Stage	Q1 2008 Pipeline Peak		Q4 2009		% Change Q1 08 to Q4 09	
	Projs	Rms	Projs	Rms	Projs	Rms
Under Construction	89	12,340	67	8,859	-25%	-28%
Starts Next 12 Mos	93	11,649	34	3,813	-63%	-67%
Early Planning	83	9,975	52	6,509	-37%	-35%
Total Pipeline	265	33,964	153	19,181	-42%	-44%

LE notes that:

- 44% of all Pipeline projects and 46% of total rooms are currently Under Construction. At 67 projects/8,859 rooms, Under Construction totals are down 25% by projects and 28% by rooms from the Q1 2008 peak.
- At 34 projects/3,813 rooms, counts for Starts in the Next 12 Months are the lowest LE has ever recorded. Projects are down 63% and rooms down 67% from the peak. These declining trends have accelerated over the last year.
- 52% of total Pipeline rooms are located in the five leading markets. Toronto, with 27 projects/4,624 rooms, remains the focal point for development in Ontario. Edmonton, with 14 projects/1,636 rooms, and Calgary, 11 projects/1,608 rooms, make up a majority of Alberta's 40 projects/4,611 rooms.

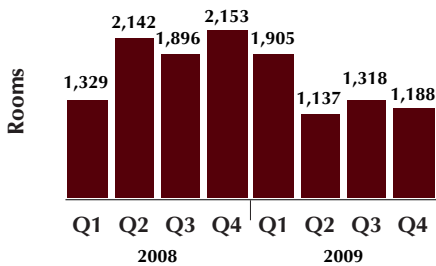
Construction Pipeline by Market

Market	Q4 2009	
	Projs	Rms
Toronto	27	4,624
Edmonton	14	1,636
Calgary	11	1,608
Vancouver	8	1,318
Niagara Falls	4	716
Rest of Canada	89	9,279

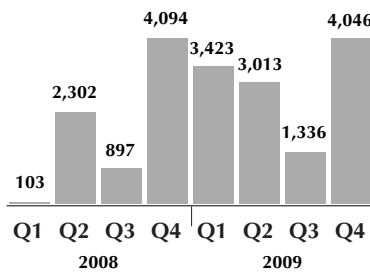
KEY PIPELINE METRICS

Global economic declines, as well as decreases in both domestic and incoming international travel, are weighing heavily on the lodging operating environment. They are impacting developer sentiment as well. As the current development cycle comes to a close, Construction Starts have descended to a lower channel due to falling lodging demand and the tightening of lending, and will remain at low levels through mid-decade. Project cancellations and postponements have been elevated, but will soon begin to fall as the Pipeline has now been mostly purged of its less feasible projects and those that are not easily financed. New Project Announcements are at cyclical lows. This lower channel will continue well after demand and room rates start to recover.

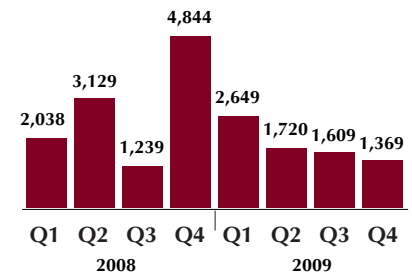
Construction Starts



Cancellations/Postponements



New Project Announcements



Projects	9	19	18	19	22	10	10	13	1	24	9	23	23	33	15	33	15	29	14	40	27	17	15	14
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LE'S FORECAST FOR NEW HOTEL OPENINGS

New Hotel Openings held at a historically high level in 2009, with 56 hotels/6,548 rooms coming online during the year.

LE's Forecast expects New Hotel Openings to remain elevated in 2010, with 46 projects/6,045 rooms scheduled to open as new supply. However, declining Pipeline totals will begin to impact in earnest in 2011, when only 31 new hotels/3,462 rooms are expected to open. Lower levels of future new supply will aid the industry's operating recovery, as there will soon be fewer guestrooms to absorb.

LE's New Hotel Openings

Hotels	Rooms
2011 (f) 31	3,462
2010 (f) 46	6,045
2009 56	6,548
2008 66	7,784
2007 56	5,257

ORDER LE'S COMPLETE CANADA PIPELINE REPORT

Lodging Econometrics (LE) is the foremost source of global lodging real estate intelligence for hotel franchise companies, management groups, investment firms, consultants, and vendors to the lodging industry. The complete Canada Construction Pipeline Report surveys development for the three stages of construction, along with a three-year forecast for new hotel openings, two years of prior new openings, and current supply. Summaries are provided for planning and analysis for the top markets, by chain scale and size of hotel, with comprehensive competitive set intelligence for the leading hotel companies and brands. To order LE's complete report on the Canada Construction Pipeline or to inquire about any of LE's other lodging real estate reports, please fill out the following inquiry form and fax it to LE or contact us at 603-431-8740 x25 or info@lodgingeconometrics.com.

In today's changing environment, Lodging Econometrics (LE) has the information you need, whether you're concerned about new supply in particular markets, identifying acquisition or asset management opportunities, or assessing hotel real estate valuations and trends.

If you would like more information about LE's Development Pipeline Reports or to receive Contact Names for Ownership and Management of Open & Operating Hotels (Census) for any market, country or region worldwide, please place a check next to the LE products of interest to you. Our sales representatives will then forward samples for your consideration.

Yes! I would like to purchase LE's complete 2010 Canada Development Outlook Report. Please send me details.

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Development Pipeline Reports

For any particular market
Such as Calgary, Halifax, Montreal, Ottawa, Toronto, Vancouver, etc.

For all of Canada

**Development Pipeline Reports contain:
Pipeline Summaries with project and guest room counts for:**

- Three Development Stages and for Current Supply
- The major companies and brands
- By chain scale, location and hotel size

Three-Year Forecast for New Hotel Openings

- Project and guest room growth rates
- Forecasts are revised quarterly

Individual Project Records

- All Hotel Construction, Reflaggings and Announced Renovation projects
- New Project Announcements are added and Cancellations are removed
- Full developer contact information
- Start and completion dates are updated quarterly

Access every lodging real estate fact you need for:

In-depth market analysis, future supply assessment, development decision-making, acquisition/disposition strategies and revenue management planning

An essential planning tool for:

Developers, Franchise Sales Teams, Acquisition/Disposition Officers, Analyst/Feasibility Groups, Operations and Sales and Marketing Executives, Revenue Managers and Lenders

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

**Individual Hotel Records include:
Comprehensive Contact Information**

- Name, address, phone and fax numbers for the Owner, Management Group and Hotel
- Property details are included

Customized Sorts for your exacting specifications

- By particular market, brand, chain scale or hotel size

Investigate opportunities for:

Acquisition, investment or adding to your asset management portfolio

Ideal for those executives involved in:

Acquisitions, Business Development, Asset Management, Strategic Planning, M&A and Direct Mail or Telemarketing Programs

Valuation Trend Reports

A 5 Year Summary of Transaction Trends with:

- Total transactions, average room count and average selling price per room
- By brand, chain scale, region, location and hotel size

Evaluate historic valuation trends and estimate your optimum timing for acquisition/disposition decisions with:

Transaction volume and selling price trends for the current lodging real estate cycle

Individual Sales Comp Records

Comprehensive Transaction Records detail:

- Selling price, room count, date of transaction, hotel letterhead, and complete contact data for buyer and seller
- By brand, chain scale, region, location and hotel size

A necessity for those who must re-verify current asset values:

Appraisers, Asset Managers, Consultants, Acquisition/Disposition Officers and Lenders

LE's Real Estate Reports can be customized for your particular needs and may be purchased as a:

- One-time order
- Quarterly Subscription
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Do you have strategic objectives or particular projects that you are working on which LE can assist you?

Name: _____ Title _____

Company: _____ Phone: _____

Address: _____ Email: _____

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

LE has real estate reports available for all markets and countries worldwide:

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

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