

RESEARCH

**IMPACTS OF THE EVENTS
OF SEPTEMBER 11, 2001,
ON CANADA'S
ACCOMMODATION
INDUSTRY**

**Research
report
2002-4**

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Impacts of the Events of September 11, 2001, on Canada's Accommodation Industry

Prepared by



For the

Canadian Tourism Commission

January 2002

National Library of Canada cataloguing in publication data

Main entry under title :

Impacts of the events of September 11, 2001 on Canada's
accommodation industry

Issued also in French under title: Répercussions des événements du
11 septembre 2001 sur l'industrie de l'hébergement au Canada.

ISBN 0-662-32585-0

Cat. no. C86-144/2002E

1. September 11 Terrorist Attacks, 2001 -- Economic aspects -- Canada.
 2. Hospitality industry -- Economic aspects -- Canada.
 3. Hotels -- Economic aspects -- Canada.
- I. Pannell Kerr Forster (Firm)
II. Canadian Tourism Commission.

HC115.I46 2002

338.4'764947101

C2002-980194-X

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Executive Summary

National Impacts of Terrorist Attacks

- The PKF National forecast for September 2001 was projected at 78 per cent occupancy with an ADR of \$125, however the actual results following the impacts of the attacks, were recorded at 67 per cent occupancy, with an ADR of \$117. Similarly, PKF forecast October 2001 to achieve an occupancy of 67 per cent, with an ADR of \$114. Following the attacks, October's performance was recorded at 62 per cent occupancy and an ADR of \$110.
- The analysis shows that actual impacts from the attacks from both September and October have resulted in a **total National loss of over 1.5 million occupied room nights equating to over \$264 million dollars. The actual room nights lost in September 2001 were 1,027,735, with a further 524,055 room nights in October.** As a result, the National room revenue loss was estimated at \$178 million in September and \$86 million in October.
- **Ontario experienced the greatest loss in occupied room nights with a cumulative September and October loss of 590,435 rooms. British Columbia** followed with a loss of 419,795 room nights and **Quebec** had the third largest room night loss with a total of 355,270 occupied room nights.
- **Ontario suffered a loss of \$102 million in room revenue, followed by British Columbia at \$75 million and Quebec at close to \$63 million.**
- Of the 54 markets examined, **Downtown Montreal reported the greatest number of room nights lost in September and October 2001 (cumulative) with a total loss of 137,145 room nights. Downtown Toronto and Downtown Vancouver followed closely with lost room nights of 131,965 and 107,860, respectively.**
- With respect to room revenue loss in September and October 2001, the 3 major downtown markets of Toronto, Montreal and Vancouver suffered the highest impacts with losses of \$30 million, \$25 million and \$23 million, respectively. Together these three markets accounted for almost 30 per cent of the total National room revenue loss.

Initial Analysis – Survey of Accommodation Operators

- In the weeks immediately following the terrorist attacks on New York City and Washington, PKF undertook a survey of 470 accommodation operators in 17 markets, representing 88,000 rooms (approximately 28% of Canada's rooms inventory of properties over 30+ rooms). This initial analysis began September 23, 2001 and was completed October 11, 2001. Because of the need for timely research, the impacts of the US terrorist attack were measured against operator's budgets/forecasts of their expected results in September and October 2001.
- The initial survey found that among the 17 major Canadian markets surveyed, 780,000 room nights were expected to be cancelled in September and October 2001, as a direct result of the US terrorist attacks. Two-thirds of the room nights were expected to be cancelled in September, immediately following the attack and the remainder in October.

Second Follow-Up analysis – Development of a National Impact Model with Actual September and October Results

- PKF undertook a second analysis of the US terrorist attacks during the months of October and November 2001. By collecting the month end September and October occupancy and average daily rate performance of Trends participants across Canada, PKF measured the impacts based on **actual results**, as opposed to expected or budgeted results.
- The initial survey of 17 markets was expanded to include 54 markets through the development of a **National Impact Model**, which measured the impacts at a National, Provincial and market level.
- The National Impact Model records the performance of the industry from January to August 2001 – the period just prior to the US Terrorist Attacks - as compared to the same period in 2000. Based on the year-to-date performance of each market, PKF prepared a forecast by month to the year-end 2001 results for each market, as if the terrorist attacks had not occurred. Next, the actual occupancy and average daily rate results of each market for the months of September and October 2001 was input. The variance between PKF's forecasted results and the actual performance of each market is the resulting impact due to the US Terrorist Attacks. November and December 2001 results will be incorporated into the National Impact Model, as PKF receives the data in December 2001 and January 2002.

National Supply

- Based on the accommodation inventories supplied to PKF by each of the provinces, together with our knowledge of supply additions in the Canadian market, Canada had an estimated annualized supply of 311,000 rooms in 2000 (including only properties of 30+ rooms in size). In 2001, this supply base increased by 1.8 per cent, to an estimated annualized inventory of 316,535 rooms.

I. Initial Analysis – Survey of Accommodation Operators

In our initial research, PKF undertook a survey of 470 accommodation operators in 17 markets, representing 88,000 rooms (approximately 28% of Canada’s rooms inventory of properties over 30+rooms). This initial analysis began September 23, 2001 and was completed October 11, 2001. Because of the need for timely research, the impacts of the US Terrorist Attack were measured against operator’s budgets/forecasts of their expected results in September and October 2001.

Therefore, the resulting analysis of expected shortfalls in demand and rooms revenue by market, were dependent on a number of factors, including:

- **The reasonableness of operator’s budgets/forecasts Pre the US Terrorist Attack.** It was assumed that in preparing their budgets/forecasts for 2001, operators had taken into account historical results, economic factors, and supply additions; and
- **The reasonableness of operator’s budgets/forecasts Post the US Terrorist Attack.** With the timing of the research collection in late September and early October, operators were able to fairly accurately project their month end September results, however the revised forecasts/budgets for October may have been influenced by over-stated expectations in terms of impacts.

Markets Surveyed

The 17 accommodation markets that were initially surveyed are listed in Table 1 below.

Table 1: Markets Surveyed in Initial US Terrorist Attack Impact Study

1. Halifax/Dartmouth
2. Montreal Downtown
3. Montreal Airport (Laval)
4. Ottawa
5. Kingston
6. Toronto Downtown
7. Toronto Airport
8. GTA East/North
9. GTA West
10. Niagara Falls
11. Windsor
12. Ontario Resorts
13. Calgary
14. Alberta Resorts
15. Vancouver Airport
16. Vancouver Downtown
17. Vancouver Other

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

Room Night Cancellations

- The initial survey found that among the 17 major Canadian markets surveyed, **780,000 room nights were expected to be cancelled in September and October 2001**, as a direct result of the US Terrorist Attacks.
- Two-thirds of the room nights were expected to be cancelled in September, immediately following the attack and the remainder in October.
- Amongst the markets initially surveyed, the Niagara Falls market was expected to suffer the greatest number of room cancellations of pre-booked business in September and October, at 144,500 room nights.

Origin of Cancellations

- Overall, 54 per cent of the room nights cancelled in September and October were from the United States, followed by 25 per cent from overseas markets and 21 per cent from domestic markets.

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.

Variances to Hotel Operators' 2001 Occupancy Budgets Due to the US Terrorist Attack

- Relative to their original forecasts (pre September 11th), the Canadian hotel markets surveyed were expected to be 544,660 occupied room nights below budget in September, 2001.
- In October 2001, expected occupied room nights were 320,000 room nights below budget, of which 266,255 represented cancelled bookings.

PKF Estimates at a National Level based on Initial Survey Analysis (October 11, 2001 Report)

- On a National level, the US Terrorist Attack resulted in an estimated 12.5 per cent shortfall in demand in September, with a further 8 per cent decline anticipated in October 2001, as compared to anticipated budget levels.
- Rooms revenue was expected to be down by 16 per cent nationally in September, with a further 10 per cent shortfall forecasted in October 2001.
- In September 2001, the industry was 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).
- Based on our initial analysis of 17 markets and assumptions regarding the remaining markets in Canada, the cumulative national revenue loss was projected to reach \$127 million in room revenue and a further \$70 million in October, for a **total estimated room revenue loss of \$197 million in September and October 2001**.

II. Second Follow-up Analysis – Development of a National Impact Model with Actual September and October Results

PKF underwent a second analysis of the US Terrorist Attacks during the months of October and November 2001. By collecting the month end September and October occupancy and average daily rate performance of our Trends participants across Canada, we were able to measure the impacts based on actual results, as opposed to expected or budgeted results.

In order to measure the impacts of the US Terrorist Attacks, PKF developed a **National Impact Model**, which measures the impacts at a National, Provincial and market level, for a total of 54 markets. Table 2 below, provides a listing of the markets measured.

Table 2: Canadian Markets as Tracked in PKF's National Market Report – Trends in the Hotel Industry

| REGION (3) | PROVINCES/TERRITORIES (11) | MAJOR CITIES/RESORTS/SUBMARKETS (42) |
|------------------------|----------------------------|--|
| ATLANTIC CANADA | | |
| | Newfoundland | St. John's |
| | Prince Edward Island | |
| | Nova Scotia | Halifax/Dartmouth Other Nova Scotia |
| | New Brunswick | Moncton Other New Brunswick |
| CENTRAL CANADA | | |
| | Quebec | Greater Quebec City Downtown Montreal Montreal Airport/Laval Laurentians Other Quebec |
| | Ontario | Downtown Toronto Toronto Airport GTA West GTA East/North Kingston Ottawa London Windsor Kitchener/Waterloo/Cambridge/Guelph Niagara Falls Other Niagara Region Other Southern Ontario Ontario Resorts North Bay Sudbury Sault Ste Marie Other Northern Ontario |

Table 2: Canadian Markets as Tracked in PKF's National Market Report – Trends in the Hotel Industry

| REGION (3) | PROVINCES/TERRITORIES (11) | MAJOR CITIES/RESORTS/SUBMARKETS (42) |
|-----------------------|-----------------------------------|--|
| WESTERN CANADA | | |
| | Manitoba | Winnipeg Other Manitoba |
| | Saskatchewan | Regina Saskatoon Other Saskatchewan |
| | Alberta | Calgary Edmonton Alberta Resorts Other Alberta |
| | British Columbia | Vancouver Downtown Vancouver Airport Other GVA Victoria Whistler Other British Columbia |
| | Yukon | |

Source: Pannell Kerr Forster, National Market Report, Trends in the Hotel Industry

The National Impact Model records the performance of the industry from January to August 2001 – the period just prior to the US Terrorist Attacks --- as compared to the same period in 2000. Based on the year-to-date performance of each market, PKF prepared a forecast by month to the year-end 2001 results for each market, as if the terrorist attacks had not occurred. Next, we input the actual occupancy and average daily rate results of each market for the months of September and October 2001. The variance between PKF's forecasted results and the actual performance of each market is the resulting impact due to the US Terrorist Attacks.

Specifically, the National Impact Model is based on two primary components --- supply and demand changes between 2000 and 2001:

1 Accommodation Supply Inventory by Market in 2001, as compared to 2000

- For the purposes of this analysis, we have only included those accommodation properties in excess of 30 rooms in size. Rooms inventory data was supplied by each provincial tourism department, together with PKF's knowledge of supply changes, which have occurred in each of the market areas between 2000 and 2001.

2 Occupancy and ADR Performance in 2001, as compared to 2000

- All data inputs for occupancy and ADR performance by market are based on PKF's *National Trends in the Hotel Industry* database of accommodation properties in Canada, including:
 - **Year to date August** Occupancy and ADR results for 2000 and 2001, by market; and
 - **Months of September and October** Occupancy and ADR results for 2000 and 2001, by market.
 - **November and December 2001 results** will be inputted into the National Impact Model, as we receive the data in December 2001 and January 2002.

The full National Impact Model for each province, market and all of Canada is found in the Appendix A.

III. National Supply

Based on the accommodation inventories supplied to PKF by each of the provinces, together with our knowledge of supply additions in the Canadian market, Canada had an estimated annualized supply of 311,000 rooms in 2000 (including only properties of 30+ rooms in size). In 2001, this supply base increased by 1.8 per cent, to an estimated annualized inventory of 316,535 rooms. Table 3 below provides the annualized room supply inventory by province, during 2000 and 2001.

**Table 3: Annualized Rooms Supply Inventory, by Province
2000 and 2001**

| PROVINCE | 2000 | 2001 | % CHANGE |
|------------------|----------------|----------------|-------------|
| Newfoundland | 3,851 | 3,851 | 0.0% |
| PEI | 1,236 | 1,341 | 8.4% |
| Nova Scotia | 9,068 | 9,157 | 1.0% |
| New Brunswick | 7,536 | 7,620 | 1.1% |
| Quebec | 51,192 | 52,136 | 1.8% |
| Ontario | 102,394 | 103,950 | 1.5% |
| Manitoba | 6,133 | 6,163 | 0.5% |
| Saskatchewan | 12,710 | 12,916 | 1.6% |
| Alberta | 48,268 | 49,716 | 3.0% |
| British Columbia | 66,673 | 67,735 | 1.6% |
| Yukon | 1,950 | 1,950 | 0.0% |
| NATIONAL | 311,011 | 316,535 | 1.8% |

Source: Provincial Tourism Departments and PKF

IV. National Impacts

PKF Forecasted Results – Based on Pre-September 11th Events

Table 4 summarizes the National occupancy and ADR for 2000 and Projected 2001 Pre-September 11th PKF Forecasts, by month. During the period January to August 2001, the National occupancy rate was recorded at 65 per cent, approximately 1.5 per cent below the occupancy performance during the same period in 2000. Over the first 8 months of 2001, national supply had increased by 1.8 per cent, while demand was up by 0.7 per cent, as compared to the same period in 2000. During the same period, the average daily rate was \$117, an increase of 4.5 per cent over the previous year's results. Assuming the terrorist attacks had not taken place, PKF forecast the Canadian accommodation industry to close the year 2001, at a 64 per cent occupancy and an Average Daily Rate of \$116.00.

Table 4: National Rate and Occupancy, Actual 2000 vs. 2001 Pre-September 11 Forecast

| MONTH | OCCUPANCY % | | | AVERAGE DAILY RATE | | |
|-----------------|-------------|-----------------|------------|--------------------|-----------------|------------|
| | 2000 | 2001 (FORECAST) | VARIANCE % | 2000 | 2001 (FORECAST) | VARIANCE % |
| January- August | 66% | 65% | -1.5% | \$112 | \$117 | 4.5% |
| September | 79% | 78% | -1.3% | \$120 | \$125 | 4.2% |
| October | 68% | 67% | -1.5% | \$110 | \$114 | 3.6% |
| November | 60% | 59% | -1.7% | \$102 | \$106 | 3.9% |
| December | 44% | 44% | 0.0% | \$104 | \$109 | 4.8% |
| Annual | 65% | 64% | -1.5% | \$111 | \$116 | 4.5% |

Source: Pannell Kerr Forster

National Impact of Attacks (Exhibits 1 to 3)

The PKF forecast for September 2001 was projected at 78 per cent occupancy with an ADR of \$125, however the actual results following the impacts of the attacks, were recorded at 67 per cent occupancy, with an ADR of \$117. Similarly, PKF forecast October 2001 to achieve an occupancy of 67 per cent, with an ADR of \$114. Following the attacks, October's performance was recorded at 62 per cent occupancy and an ADR of \$110.

The analysis shows that actual impacts from the Attacks from both September and October have resulted in a total National loss of over 1.5 million occupied room nights equating to over \$264 million dollars. The actual room nights lost in September 2001 were 1,027,735, with a further 524,055 room nights in October. As a result, the National room revenue loss was estimated at \$178 million in September and \$86 million in October. (Exhibit 1). In our initial analysis of 17 of Canada's major markets, PKF projected the National room revenue loss at \$127 million in September and a further \$70 million in October -- \$67 million below the actual September and October impacts of \$264 million.

Exhibit 2 summarizes the room night loss by province. Ontario experienced the greatest loss in occupied room nights with a cumulative September and October loss of 590,435 rooms. British Columbia followed with a loss of 419,795 room nights and Quebec had the third largest room night loss with a total of 355,270 occupied room nights.

The September and October 2001 total room revenue loss by province is shown in Exhibit 3. Ontario suffered a loss of \$102 million in room revenue, followed by British Columbia at \$75 million and Quebec at close to \$63 million. Compared to PKF's forecast for September and October 2001, the Yukon and Nova Scotia reported positive rooms revenues gains of \$426,000 and \$176,000, respectively.

Results by Market

Tables 5 and 6 provide a summary of PKF's forecast versus the actual impacts by market, for the months of September and October 2001.

Table 5: Variance Between PKF Forecasted Results (Pre Sept 11th) and Actual Results Month of September 2001*

| LOCATION | OCCUPANCY PERCENTAGE | | | AVERAGE DAILY RATE | | |
|---|----------------------|---------------------|--------------|--------------------|---------------------|--------------|
| | ACTUAL (2001) | PKF FORECAST (2001) | VARIANCE (1) | ACTUAL (2001) | PKF FORECAST (2001) | VARIANCE (1) |
| ATLANTIC CANADA | | | | | | |
| Newfoundland | 74% | 75% | -2% | \$98 | \$97 | 1% |
| St. John's | 81% | 81% | 0% | \$108 | \$108 | 0% |
| Prince Edward Island | 59% | 72% | -19% | \$109 | \$111 | -2% |
| Nova Scotia | 83% | 89% | -7% | \$114 | \$111 | 3% |
| Halifax/Dartmouth | 87% | 94% | -7% | \$125 | \$121 | 3% |
| Other Nova Scotia | 74% | 78% | -6% | \$86 | \$86 | 0% |
| New Brunswick | 71% | 71% | 0% | \$90 | \$90 | 0% |
| Moncton | 68% | 60% | 13% | \$89 | \$88 | 2% |
| Other New Brunswick | 73% | 76% | -4% | \$90 | \$91 | -1% |
| Central Canada | | | | | | |
| Quebec | 70% | 84% | -17% | \$131 | \$136 | -4% |
| Greater Quebec City | 72% | 84% | -14% | \$157 | \$165 | -5% |
| Other Quebec | 64% | 74% | -13% | \$108 | \$109 | -1% |
| Laurentians | 57% | 67% | -15% | \$148 | \$150 | -1% |
| Greater Montreal | | | | | | |
| Downtown Montreal | 71% | 89% | -20% | \$146 | \$152 | -4% |
| Montreal Airport/ Laval | 81% | 87% | -7% | \$101 | \$100 | 1% |
| ONTARIO | 67% | 80% | -16% | \$120 | \$129 | -7% |
| Greater Toronto Area (GTA) | 66% | 84% | -21% | \$133 | \$144 | -8% |
| Downtown Toronto | 68% | 89% | -23% | \$168 | \$185 | -9% |
| Toronto Airport | 65% | 78% | -17% | \$112 | \$121 | -7% |
| GTA West | 67% | 80% | -17% | \$98 | \$103 | -5% |
| GTW East/ West | 63% | 82% | -23% | \$110 | \$115 | -4% |
| Eastern Ontario | | | | | | |
| Kingston | 77% | 85% | -9% | \$106 | \$108 | -2% |
| Ottawa | 72% | 80% | -10% | \$130 | \$138 | -5% |
| Southern Ontario | | | | | | |
| London | 65% | 73% | -11% | \$97 | \$101 | -4% |
| Windsor | 53% | 64% | -17% | \$104 | \$110 | -5% |
| Kitchener/Waterloo/ Cambridge/Guelph | 72% | 84% | -14% | \$95 | \$96 | -1% |
| Niagara Falls | 64% | 79% | -19% | \$118 | \$132 | -10% |
| Other Niagara Region | 64% | 76% | -16% | \$90 | \$92 | -2% |

Table 5: Variance Between PKF Forecasted Results (Pre Sept 11th) and Actual Results Month of September 2001*

| LOCATION | OCCUPANCY PERCENTAGE | | | AVERAGE DAILY RATE | | |
|-------------------------------------|----------------------|---------------------|--------------|--------------------|---------------------|--------------|
| | ACTUAL (2001) | PKF FORECAST (2001) | VARIANCE (1) | ACTUAL (2001) | PKF FORECAST (2001) | VARIANCE (1) |
| Other Southern Ontario | 62% | 68% | -9% | \$95 | \$97 | -2% |
| Ontario Resorts | 65% | 67% | -3% | \$160 | \$168 | -5% |
| Northern Ontario | | | | | | |
| North Bay | 72% | 67% | 7% | \$89 | \$89 | 0% |
| Sudbury | 69% | 74% | -7% | \$84 | \$87 | -3% |
| Sault Ste.Marie | 80% | 80% | 1% | \$97 | \$99 | -2% |
| Other Northern Ontario | 76% | 77% | -1% | \$85 | \$86 | -1% |
| Western Canada | | | | | | |
| MANITOBA | 63% | 69% | -9% | \$96 | \$102 | -6% |
| Winnipeg | 64% | 70% | -9% | \$98 | \$105 | -7% |
| Other Manitoba | 52% | 63% | -17% | \$71 | \$72 | -1% |
| SASKATCHEWAN | 55% | 60% | -8% | \$77 | \$79 | -3% |
| Regina | 57% | 61% | -6% | \$77 | \$79 | -3% |
| Saskatoon | 56% | 64% | -12% | \$83 | \$86 | -4% |
| Other Saskatchewan | 49% | 50% | -2% | \$62 | \$61 | 2% |
| ALBERTA (excl. Alta Resorts) | 68% | 77% | -12% | \$96 | \$98 | -2% |
| Calgary | 71% | 79% | -10% | \$107 | \$107 | 0% |
| Edmonton | 62% | 76% | -18% | \$93 | \$99 | -6% |
| Other Alberta | 69% | 74% | -6% | \$80 | \$78 | 2% |
| Alberta Resorts | 64% | 83% | -22% | \$244 | \$253 | -4% |
| British Columbia | 65% | 75% | -14% | \$119 | \$129 | -8% |
| Greater Vancouver | 70% | 82% | -14% | \$130 | \$142 | -8% |
| Airport (Richmond) | 73% | 79% | -7% | \$97 | \$96 | 1% |
| Downtown Vancouver | 71% | 86% | -18% | \$159 | \$174 | -9% |
| Other Vancouver | 67% | 74% | -10% | \$95 | \$98 | -3% |
| Greater Victoria | 69% | 87% | -20% | \$141 | \$152 | -7% |
| Whistler Resort Area | 36% | 47% | -24% | \$128 | \$154 | -17% |
| Other British Columbia | 64% | 69% | -7% | \$90 | \$89 | 1% |
| YUKON | 64% | 62% | 3% | \$78 | \$80 | -2% |
| CANADA | 67% | 78% | -14% | \$117 | \$125 | -6% |

(1) Variance indicates occupancy rate and the real average daily rate in September in comparison with PKF forecast.

* Based on the operating results of 159,500 rooms (unweighted data)

**Table 6: Variance between PKF Forecasted Results (Pre Sept 11th) and actual results
Month of October 2001***

| LOCATION | OCCUPANCY PERCENTAGE | | | AVERAGE DAILY RATE | | |
|---|----------------------|---------------------|--------------|--------------------|---------------------|--------------|
| | ACTUAL (2001) | PKF FORECAST (2001) | VARIANCE (2) | ACTUAL (2001) | PKF FORECAST (2001) | VARIANCE (2) |
| ATLANTIC CANADA | | | | | | |
| Newfoundland | 65% | 69% | -6% | \$93 | \$96 | -3% |
| St. John's | 67% | 78% | -14% | \$103 | \$105 | -2% |
| PRINCE EDWARD ISLAND | 45% | 47% | -4% | \$85 | \$85 | 0% |
| NOVA SCOTIA | 75% | 75% | 0% | \$110 | \$104 | 6% |
| Halifax/Dartmouth | 81% | 83% | -2% | \$121 | \$112 | 8% |
| Other Nova Scotia | 61% | 58% | 6% | \$79 | \$77 | 2% |
| NEW BRUNSWICK | 59% | 60% | -1% | \$84 | \$86 | -2% |
| Moncton | 56% | 54% | 3% | \$85 | \$85 | 1% |
| Other New Brunswick | 61% | 62% | -1% | \$83 | \$86 | -4% |
| CENTRAL CANADA | | | | | | |
| QUEBEC | 67% | 76% | -12% | \$125 | \$133 | -6% |
| Greater Quebec City | 65% | 75% | -13% | \$145 | \$158 | -8% |
| Other Quebec | 58% | 64% | -10% | \$99 | \$104 | -5% |
| Laurentians | 47% | 55% | -15% | \$128 | \$137 | -7% |
| Greater Montreal | | | | | | |
| Downtown Montreal | 71% | 84% | -16% | \$142 | \$150 | -5% |
| Montreal Airport/ Laval | 75% | 77% | -3% | \$97 | \$101 | -4% |
| ONTARIO | 65% | 71% | -9% | \$119 | \$123 | -3% |
| Greater Toronto (GTA) | 67% | 74% | -10% | \$135 | \$138 | -2% |
| Downtown Toronto | 72% | 80% | -10% | \$170 | \$173 | -1% |
| Toronto Airport | 65% | 70% | -8% | \$115 | \$118 | -2% |
| GTA West | 64% | 71% | -9% | \$99 | \$102 | -3% |
| GTA East/ West | 61% | 70% | -13% | \$109 | \$112 | -3% |
| Eastern Ontario | | | | | | |
| Kingston | 66% | 75% | -12% | \$91 | \$96 | -5% |
| Ottawa | 76% | 70% | 9% | \$132 | \$112 | 18% |
| Southern Ontario | | | | | | |
| London | 59% | 66% | -10% | \$92 | \$96 | -4% |
| Windsor | 52% | 65% | -21% | \$102 | \$110 | -7% |
| Kitchener/Waterloo/ Cambridge/Guelph | 66% | 75% | -12% | \$96 | \$95 | 1% |
| Niagara Falls | 54% | 65% | -17% | \$102 | \$106 | -3% |
| Other Niagara Region | 61% | 61% | -1% | \$76 | \$78 | -2% |
| Other Southern Ontario | 48% | 55% | -12% | \$93 | \$94 | -2% |
| Ontario Resorts | 53% | 56% | -5% | \$147 | \$146 | 1% |

**Table 6: Variance between PKF Forecasted Results (Pre Sept 11th) and actual results
Month of October 2001***

| LOCATION | OCCUPANCY PERCENTAGE | | | AVERAGE DAILY RATE | | |
|-------------------------------------|----------------------|------------------------|--------------|--------------------|------------------------|--------------|
| | ACTUAL (2001) | PKF FORECAST (2001) | VARIANCE (2) | ACTUAL (2001) | PKF FORECAST (2001) | VARIANCE (2) |
| Northern Ontario | | | | | | |
| North Bay | 63% | 63% | 1% | \$87 | \$85 | 2% |
| Sudbury | 71% | 67% | 5% | \$83 | \$85 | -3% |
| Sault Ste. Marie | 62% | 59% | 6% | \$87 | \$89 | -2% |
| Other Northern Ontario | 70% | 64% | 9% | \$84 | \$85 | -1% |
| WESTERN CANADA | | | | | | |
| MANITOBA | 64% | 65% | -2% | \$95 | \$99 | -4% |
| Winnipeg | 65% | 66% | -2% | \$98 | \$102 | -4% |
| Other Manitoba | 56% | 55% | 1% | \$71 | \$71 | 0% |
| SASKATCHEWAN | 62% | 62% | -1% | \$78 | \$78 | 0% |
| Regina | 62% | 63% | -2% | \$79 | \$80 | -2% |
| Saskatoon | 67% | 67% | -1% | \$83 | \$83 | 0% |
| Other Saskatchewan | 51% | 50% | 3% | \$61 | \$61 | -1% |
| ALBERTA (excl. Alta Resorts) | 64% | 69% | -7% | \$93 | \$97 | -4% |
| Calgary | 61% | 65% | -6% | \$104 | \$105 | -1% |
| Edmonton | 66% | 71% | -7% | \$91 | \$99 | -8% |
| Other Alberta | 66% | 71% | -7% | \$78 | \$77 | 1% |
| Alberta Resorts | 51% | 61% | -16% | \$154 | \$158 | -3% |
| British Columbia | 51% | 57% | -10% | \$101 | \$107 | -6% |
| Greater Vancouver | 55% | 66% | -16% | \$110 | \$118 | -7% |
| Airport (Richmond) | 54% | 63% | -14% | \$83 | \$84 | -1% |
| Downtown Vancouver | 56% | 69% | -19% | \$132 | \$143 | -8% |
| Other Vancouver | 55% | 60% | -8% | \$79 | \$81 | -2% |
| Greater Victoria | 62% | 71% | -12% | \$107 | \$112 | -5% |
| Whistler Resort Area | 21% | 23% | -7% | \$114 | \$120 | -5% |
| Other British Columbia | 52% | 52% | -1% | \$80 | \$77 | 4% |
| YUKON | 49% | 39% | 27% | \$68 | \$69 | -1% |
| CANADA | 62% | 67% | -8% | \$110 | \$114 | -3% |

(2) Variance indicates occupancy rate and the real average daily rate in September in comparison with PKF forecast.

* Based on the operating results of 159,500 rooms (unweighted data)

Top 10 Impacted Regions (Exhibits 4 and 5)

Exhibit 4 illustrates the top 10 Impacted Regions in terms of room nights lost. Of the 54 markets examined, Downtown Montreal reported the greatest number of room nights lost in September and October 2001 (cumulative) with a total loss of 137,145 room nights. Downtown Toronto and Downtown Vancouver followed closely with lost room nights of 131,965 and 107,860, respectively. In terms of loss of demand, the remaining top 10 impacted regions were: Other Quebec, Niagara Falls, Toronto Airport, Alberta Resorts, Edmonton, Greater Quebec City and Other Alberta.

With respect to room revenue loss in September and October 2001, the 3 major downtown markets of Toronto, Montreal and Vancouver suffered the highest impacts with losses of \$30 million, \$25 million and \$23 million, respectively. Together these three markets accounted for almost 30 per cent of the total National room revenue loss. The remaining top 10 impacted regions in terms of lost rooms revenue were: Alberta Resorts, Niagara Falls, Greater Quebec City, Other Quebec, Toronto Airport, Edmonton and Victoria. Alberta Resorts suffered the 4th largest loss of room revenue, making it the top Canadian impacted resort region. Refer to Exhibit 5.

V. Provincial/Market Analysis of Actual Impacts

Atlantic Region (Newfoundland, Nova Scotia, PEI and New Brunswick) (Exhibits 6 to 10)

Newfoundland is the only Atlantic province to experience a higher loss in occupied rooms and room revenue in October 2001 than in September 2001. Newfoundland accommodated numerous stranded passengers from the rerouted airplanes immediately following the attacks and in October may have begun to feel the effects of the Attacks in terms of lost demand.

PEI reported a loss of 5,720 cumulative room nights in September and October 2001, and \$782,000 dollars in lost rooms revenue. Over 80 per cent of the total losses took place in September 2001. Similarly in Nova Scotia, the majority of impacts were felt immediately in September, while October actually reported gains in room revenue.

New Brunswick experienced a gain of 390 room nights in September. Again, this increase in demand may be somewhat attributable to the rerouting of flights to the province's airports. However, in October 2001, New Brunswick reported a loss of room revenue totalling \$287,000.

Moncton was the only market in the Atlantic region to report an increase in both occupied room nights and rooms revenue in both September and October 2001. Total growth in Moncton for September and October 2001 was 6,480 room nights and \$646,000 in room revenue.

The cities of Halifax and Dartmouth are beginning to see increases in room revenues in October despite the continuance of room nights lost.

In St. John's, October room revenue losses were estimated at \$592,000, as compared to September, which showed a loss of \$7,000 in room revenue.

Quebec (Exhibits 11 to 12)

The province of Quebec estimated a loss of 355,270 occupied room nights in September and October, which accounts for 23 per cent of the National impacts. Quebec's total room revenue loss was estimated at close to \$63 million.

Greater Quebec City lost over 60,300 room nights of demand during September and October and \$13.6 million in room revenue, while Greater Montreal lost 82,660 room nights in September, followed by close to 60,000 in October, accounting for over \$25 million in lost room revenue. The Laurentians resort area lost just over 20,000 room nights in September, and close to the same amount in October (17,650 room nights) for a cumulative loss of almost \$7 million in rooms revenue.

Ontario (Exhibits 13 to 19)

Ontario estimated a loss of 590,430 occupied room nights in September and October, which account for 38 per cent of the National impacts. The total room revenue lost in Ontario was estimated at \$103 million, which equates to over 39 per cent of the National total. This is not surprising, as 3 of the top 10 impacted regions are located within Ontario (Downtown Toronto, Niagara Falls, and Toronto Airport).

The Greater Toronto Area suffered a loss of over 306,000 room nights in September and October, equating to over \$55 million in lost room revenue. Of the total GTA impacts, the Downtown Toronto market reported close to 132,000 and room revenue losses of over \$30 million dollars, the majority of which occurred in September.

Ottawa lost close to 31,000 room nights in September, equating to close to \$5 million in rooms revenue. In October 2001, the demand loss decreased to 9,000 room nights at a value of \$1.2 million.

The Niagara Falls market reported losses of over 49,000 room nights in September, followed by a further 35,000 room nights in October. The cumulative impact of these losses equate to \$13.6 million in lost room revenue.

The Southern Ontario Region is the only region in Central Canada to have markets experience greater losses in October than in September. The Windsor market reported October room night loss of 11,770, as compared to September losses of 9,430 room nights, an increase of 25 per cent.

Northern Ontario Region did not report significant losses in demand as a result of the US Terrorist Attacks, as the majority of hotel rooms booked are from those travelling from the Northern Ontario region and surrounding Ontario Province. Thus airline delays and closures did not have a significant effect on this market. The North Bay market actually experienced increases in both room nights and rooms revenue of 1,300 and \$156,000, respectively, compared to PKF's forecast for the North Bay market in 2001.

Manitoba and Saskatchewan (Exhibits 20 to 23)

Combined, Manitoba and Saskatchewan reported a loss of close to 38,000 room nights in September and October, a loss of approximately \$3 million in rooms revenue for each province. Winnipeg just over 13,000 room nights at a value of \$2.6 million, followed by Saskatoon, which lost 9,700 room nights and over \$1 million in rooms revenue.

Alberta (Exhibits 24 to 25)

Alberta reported over 247,000 room nights lost in September and October, resulting in almost \$38.4 million in room revenue loss. Approximately two-thirds of the demand impacts were felt in the immediate month following the attacks, representing close to 70 per cent of the loss in rooms revenue.

Approximately 45 per cent of the room revenue lost in Alberta was reported by the Alberta Resort sector, which suffered 70,000 room nights accounting for over \$17 million in lost rooms revenues. Again, the impacts were the strongest in September, with \$13 of the \$17 million lost during this month.

Calgary reported 36,000 lost room nights in the two month period following the event, equating to over \$4 million in rooms revenue, while Edmonton reported losses of 64,000 room nights, equating to \$9.3 million. Demand and room revenue losses were greater in Edmonton than Calgary for the following reasons:

- At an annualized supply inventory of 11,042 rooms in 2001, Edmonton has an estimated 870 more rooms than does Calgary;
- In the period leading up to the attacks (January to August 2001), the occupancy performance of the Edmonton market was up by 9 per cent and the average daily rate was up by 11 per cent over the same period in 2000. Based on the strong year-to-date performance of the market, PKF forecast September 2001 at 76 per cent, however the actual occupancy achieved was 62 per cent. As such Edmonton experienced an estimated decline of 18 per cent in September (from a projected 76% to an actual occupancy of 62%) and a further 7 per cent decrease in occupancy in October (from a projected 71% to an actual occupancy of 66%);
- The Calgary market had achieved a year-to-date occupancy level of 67 per cent by August 2001, which was consistent with their previous year's performance. At the same time, the average daily rate for the market was down by 3 per cent in comparison to the previous year. Therefore, based on Calgary's year-to-date performance, PKF forecast September to close at 79 per cent, however the actual occupancy rate achieved was 71 per cent (a 10% decrease). In October, the Calgary market was projected at 65 per cent, and performed at 61 per cent, representing a 6 per cent decline in occupancy.

-
- During the months of September and October, the Calgary market maintained their rate positioning, while the Edmonton market discounted rates by 6 per cent to 8 per cent. PKF's projected average daily rate of \$107 for Calgary was maintained in September, while October's projected average daily rate was only \$1 below the rate achieved. In comparison, PKF forecasted an average daily rate of \$99 for the Edmonton market in both September and October, however the actual rate achieved by the market was \$93 in September and \$91 in October.

Other Alberta markets, including Lethbridge, Medicine Hat, Red Deer, Grande Prairie, Fort McMurray, together with other rural communities, reported losses of close to 28,000 room nights in September, equating to \$1.6 million in lost room revenue. Unlike the other major urban and resort centres in Alberta, the losses reported in October slightly exceed the impacts felt in September. The continued loss in demand in October, may be also in part due to a decline in oil and gas prices, and corresponding drilling activity in these regions.

British Columbia (Exhibits 26 to 29)

British Columbia suffered the greatest losses of all western provinces with a cumulative September and October total of 419,000 room nights lost and over \$75 million lost in room revenue.

The Whistler market did not report as great a loss as that of the Alberta Resort market. Whistler's September and October losses were estimated at 19,000 room nights and \$4.6 million in revenues.

The Greater Vancouver Area suffered a loss of over 156,600 room nights in September and October, equating to almost \$30 million in lost room revenue. Of the total GVA impacts, the Downtown Vancouver market suffered the largest loss in room nights out of the entire Western Canada region. September occupancy rates fell from a projected 86 per cent to 71 per cent and October occupancy levels fell to 56 per cent occupancy, as compared to a projected 69 per cent occupancy in October.

The Greater Victoria market lost over 32,000 room nights in September 2001 at a value of \$6.1 million, while October losses were reported at close to 15,000 room nights, equating to \$2.2 million in lost room revenue.

Yukon (Exhibit 30)

The Yukon accommodation market was not significantly impacted by the events of September 11th. Based on PKF's forecast for 2001, both demand and room revenue in September and October 2001, exceeded our forecast.

VI. A Comparison of Assessed Impacts VS Actual Impacts

Hotel Operators' Projections Versus Actual Room Night Loss (Exhibits 31 to 34)

Relative to their original budgets (pre September 11th), the 17 Canadian hotel markets originally surveyed were expected to be 544,660 occupied room nights below budget in **September 2001** due to the US Terrorist Attack. The actual impact for the combined 17 markets, was measured at a loss of 553,250 room nights, which was not far off the operators' expectations. At a market level, the actual impacts were greater than expected in the downtown and airport markets of Montreal and Toronto, and less than anticipated in Niagara Falls, Ontario Resorts and the Other Greater Vancouver Area market. (Exhibits 31 and 32).

In **October 2001**, the 17 hotel markets originally surveyed expected to be 320,000 occupied room nights below budget, only marginally below the actual impacts of 332,200 room nights. The impacts were felt more than were anticipated in the downtown markets of Montreal, Toronto and Vancouver, the Toronto Airport and GTA East/North market, and Halifax. Conversely, the impacts were not as great as anticipated in the Montreal Airport, Ontario Resorts, Niagara Falls and Calgary markets. (Exhibits 33 and 34).

Relative to their original forecasts (pre September 11th), the 17 Canadian hotel markets surveyed were expected to be \$145.6 million below budget in room revenue in September and October. Based on the current analysis, the actual room revenue loss was recorded at **\$164 million** below PKF's projections, of which \$105 million was in September and \$59 million in October.

Annex A

How to Read the National Impact Model

The three major sections, which comprise the National Impact Model, are described below.

Overall Results

The first set of data provides the actual 2000 results, 2001 Pre-September 11th PKF Forecast and 2001 Actual Results. Each worksheet begins with the actual 2000 Results for YTD August, September, October, November, December and Annual. These results were provided by PKF's *National Trends in the Hotel Industry Report*. From the actual 2000 results, the 2001 Pre-September PKF Forecast was projected (as if the US Attacks had not happened). Lastly, the actual 2001 September and October were input from PKF's *National Trends in the Hotel Industry Report* representing the results of the US Attacks on the industry.

Data Inputs for this section included: inventory, available room nights, occupancy, occupied room nights, average daily rate and rooms revenue (\$000). Any new supply entering the market was accounted for and added to the market in the appropriate month in the 2001 available room nights.

Assessed Impact

If the market was one of the 17 markets analysed in the initial US Terrorist Attack Impact Study, the survey results of the hotel operators' forecasted budgets are provided in the section.

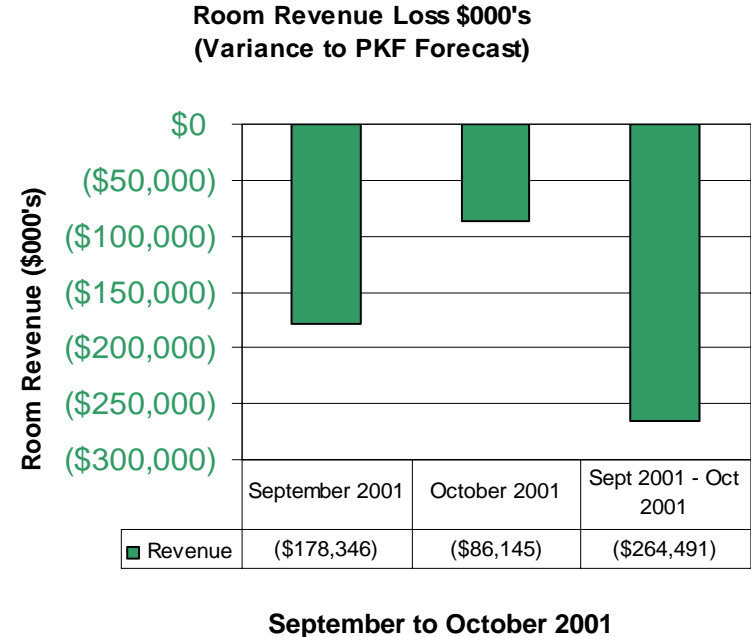
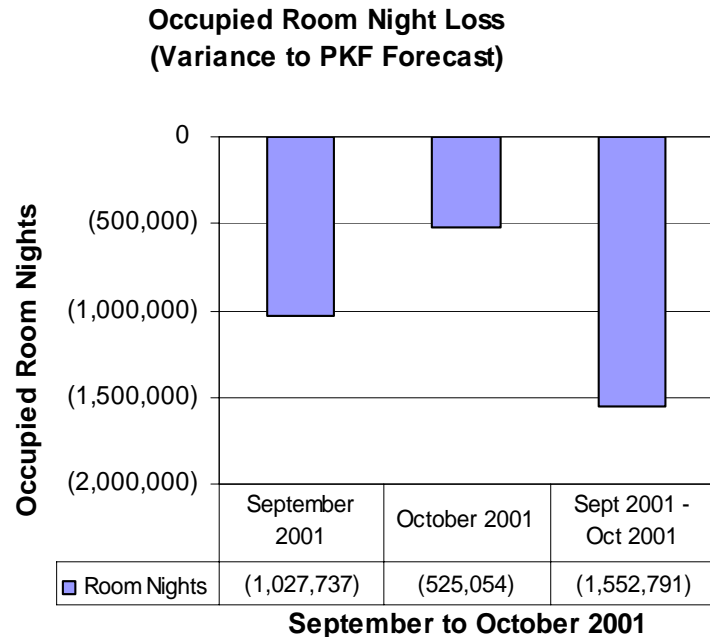
Actual Impact

The actual impacts of the US Terrorist Attacks were measured against the 2001 Pre-September 11 PKF forecasts. Actual differences between the 2001 Pre-September PKF forecasts and 2001 September and October Actual Results are noted in this section. The variance between occupied room nights sold and room revenue achieved was calculated and the percent change between the two results has been provided in the analysis. This section also provides the variance between the surveyed results from the initial impact study and the actual September and October 2001 results.

Exhibit 1

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

National Analysis



Note: Variances based on PKF Forecast – Pre September 11th Annualized Forecast

Exhibit 2

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

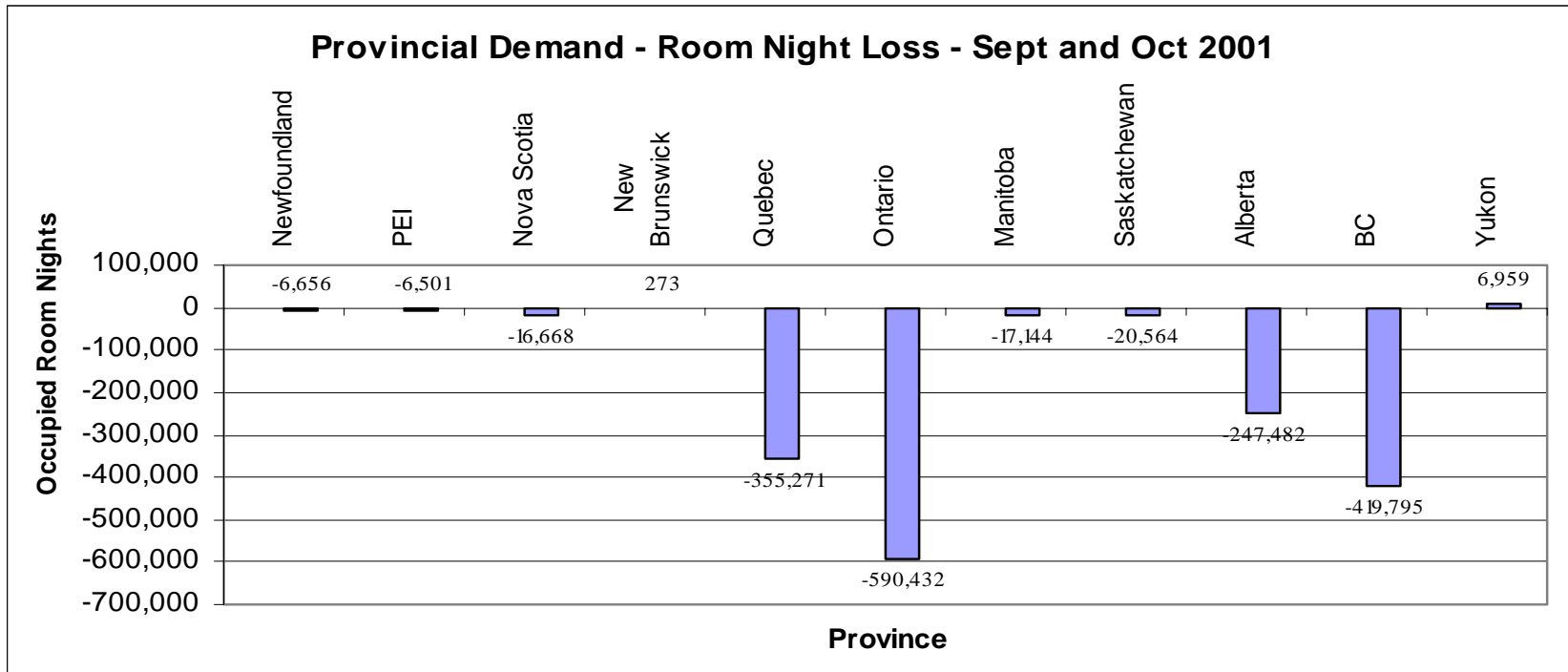


Exhibit 3

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

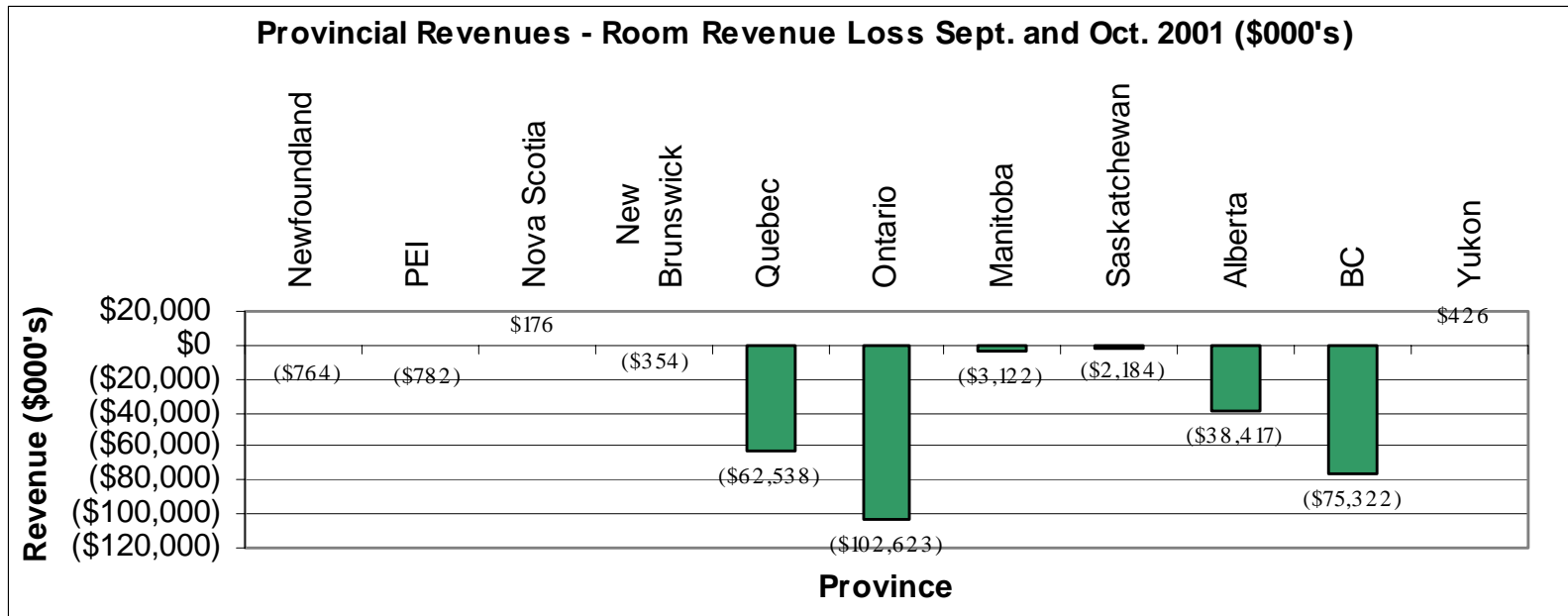


Exhibit 4

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

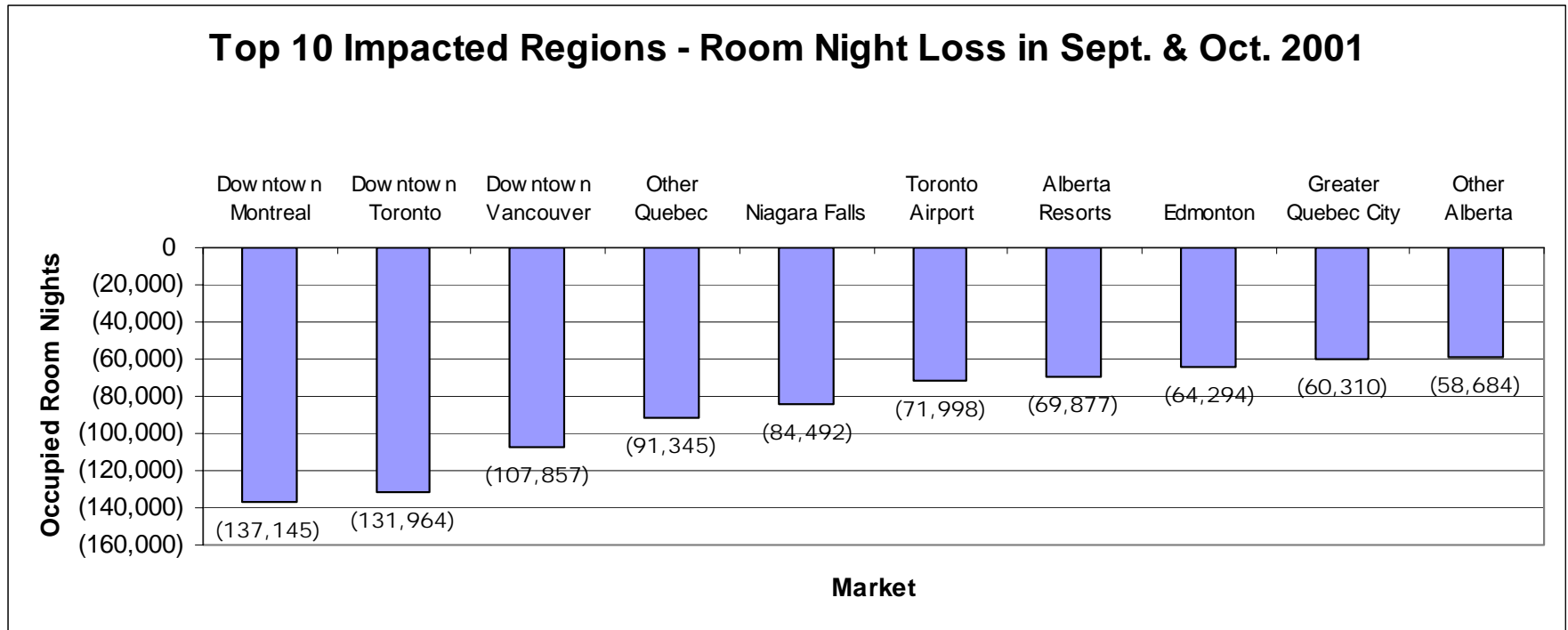


Exhibit 5

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

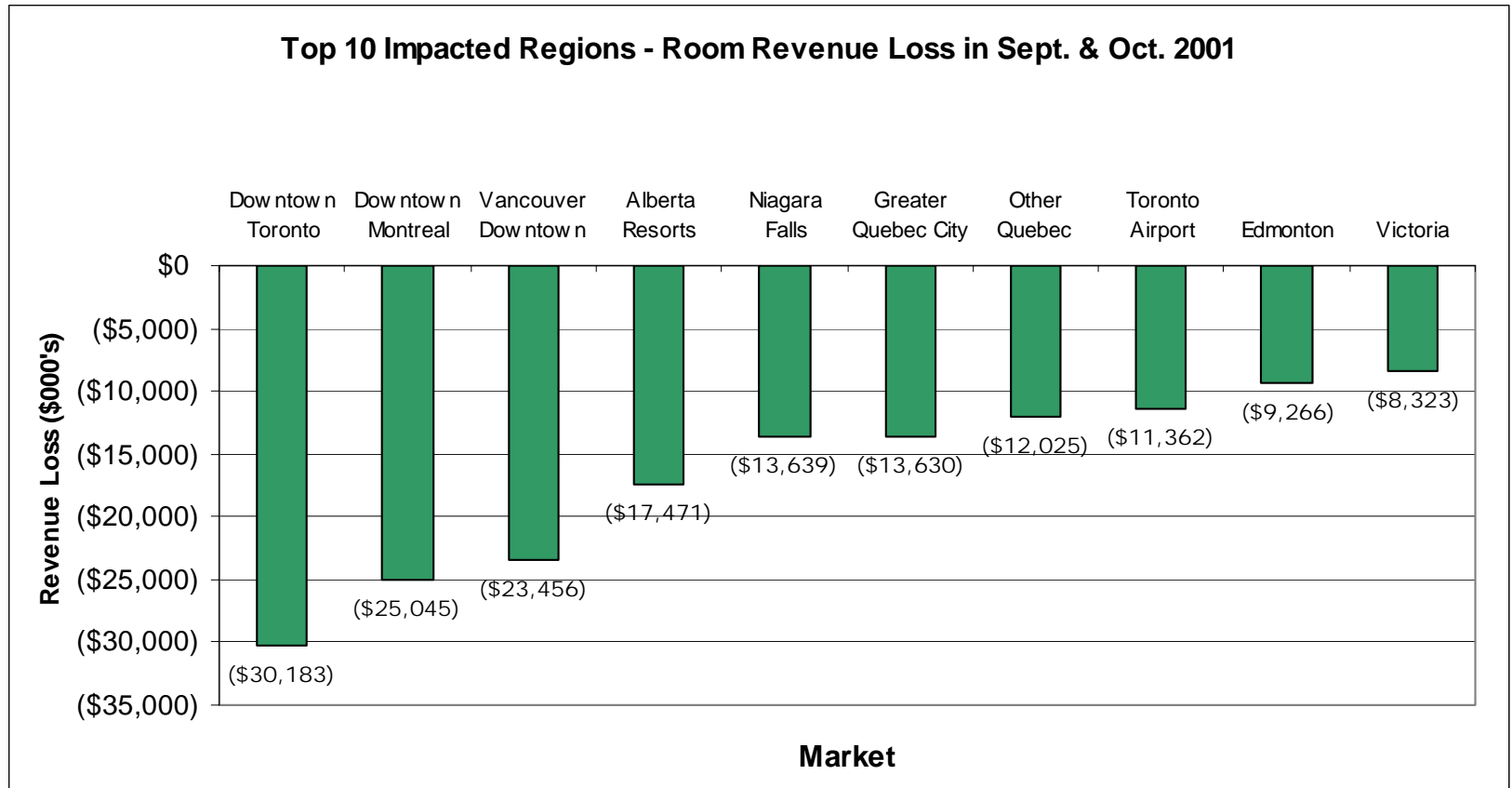
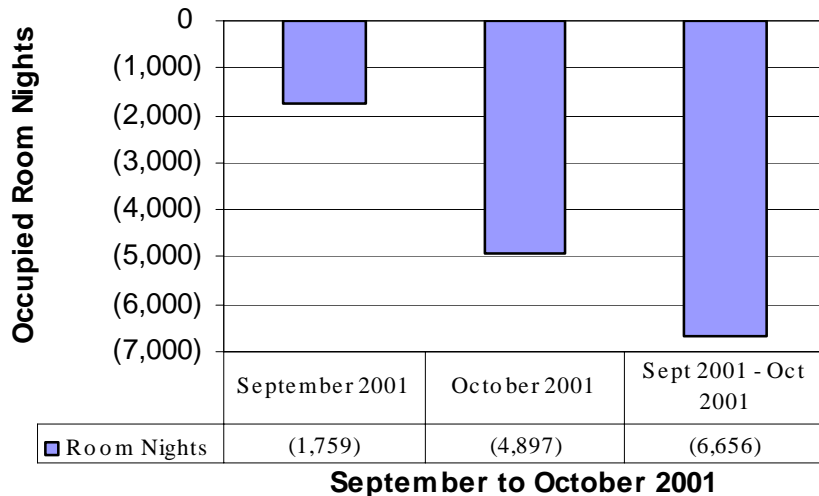


Exhibit 6

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Newfoundland Provincial Analysis

**Occupied Room Night Loss
(Variance to PKF Forecast)**



**Room Revenue Loss \$000's
(Variance to PKF Forecast)**

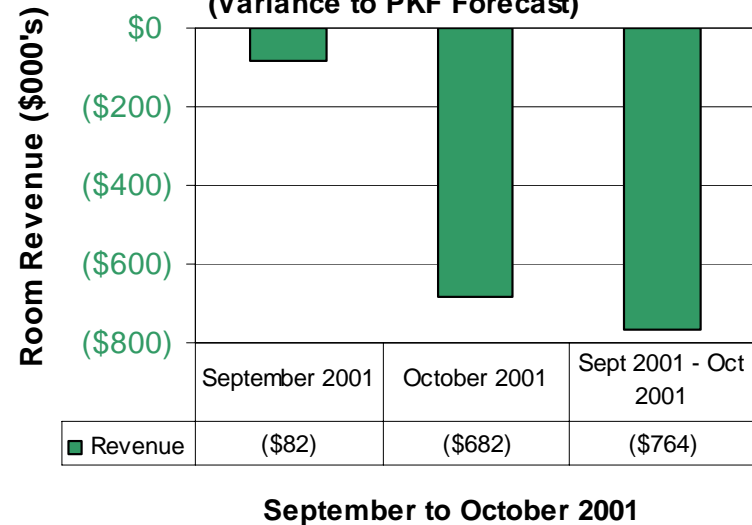


Exhibit 7

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Prince Edward Island Provincial Analysis

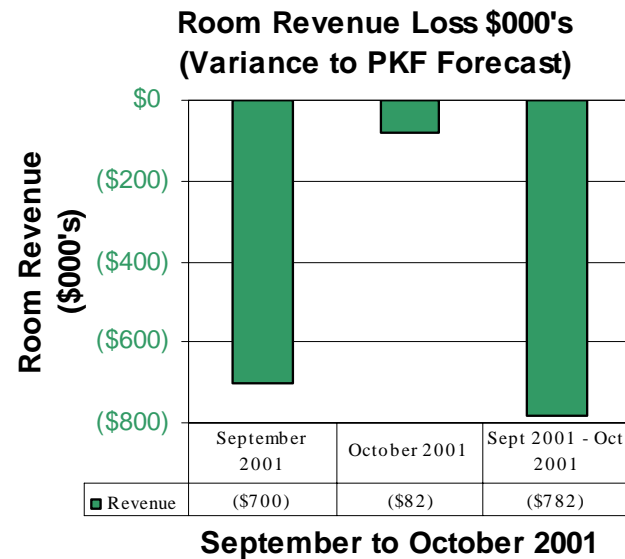
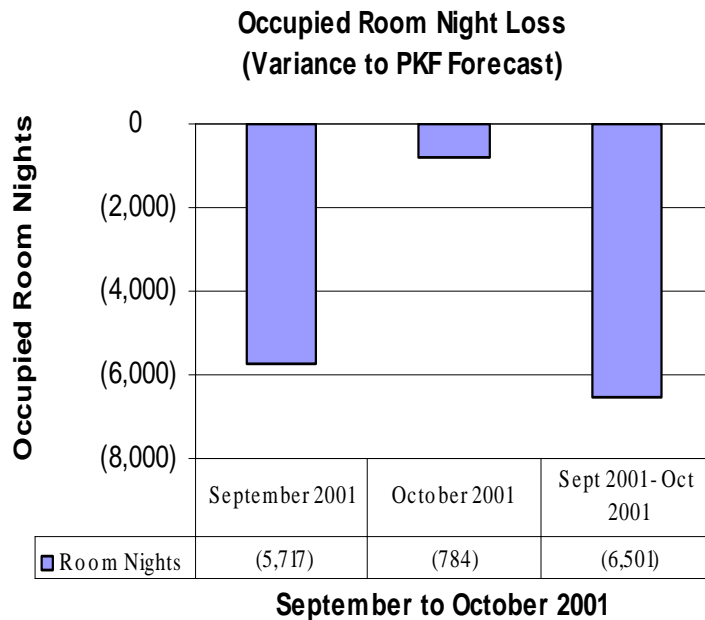
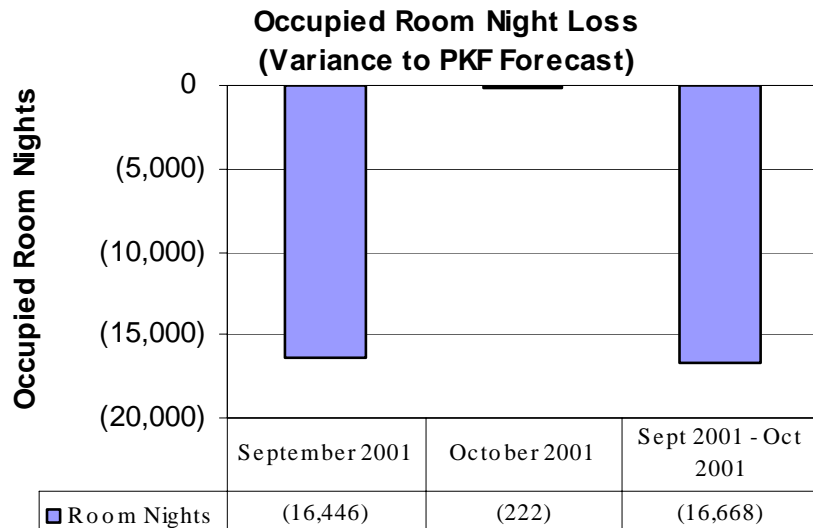


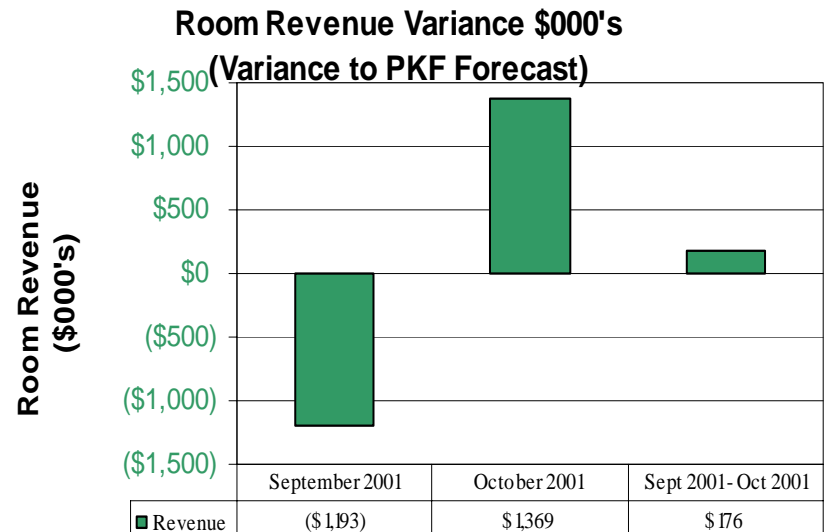
Exhibit 8

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Nova Scotia Provincial Analysis



September to October 2001



September to October 2001

Exhibit 9

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

New Brunswick Provincial Analysis

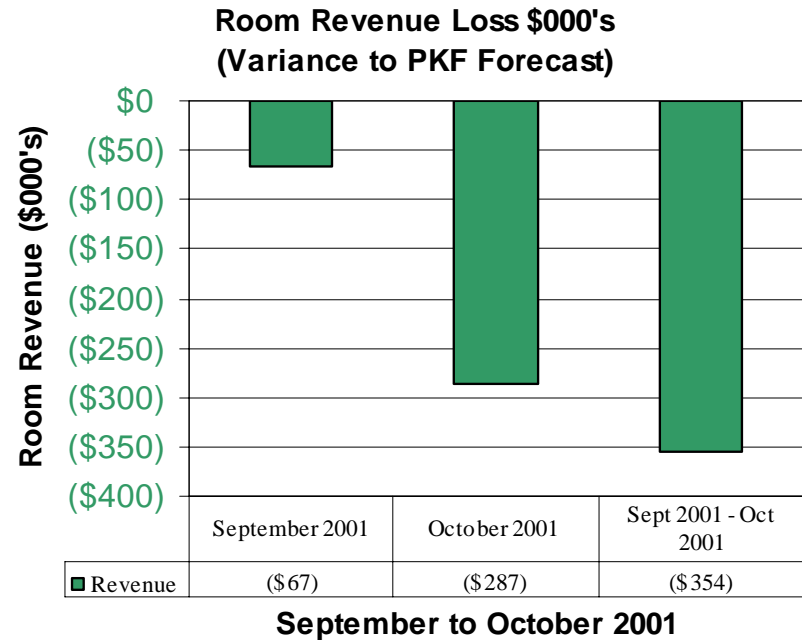
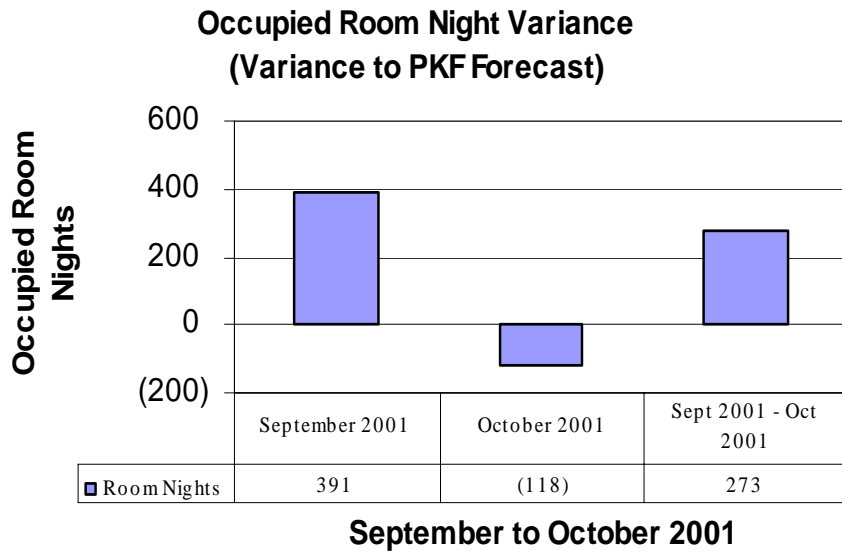
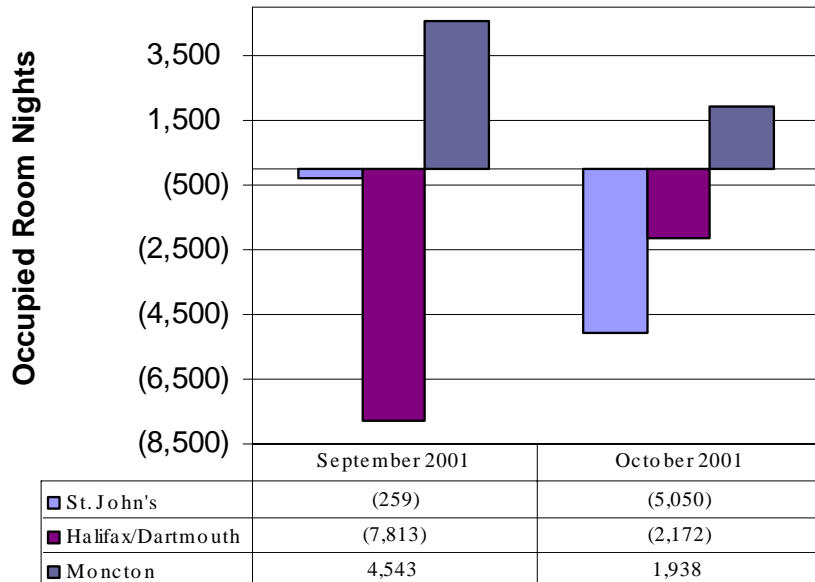


Exhibit 10

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Atlantic Region Analysis

**Occupied Room Night Variance
(Variance to PKF Forecast)**



**Room Revenue Variance \$000's
(Variance to PKF Forecast)**

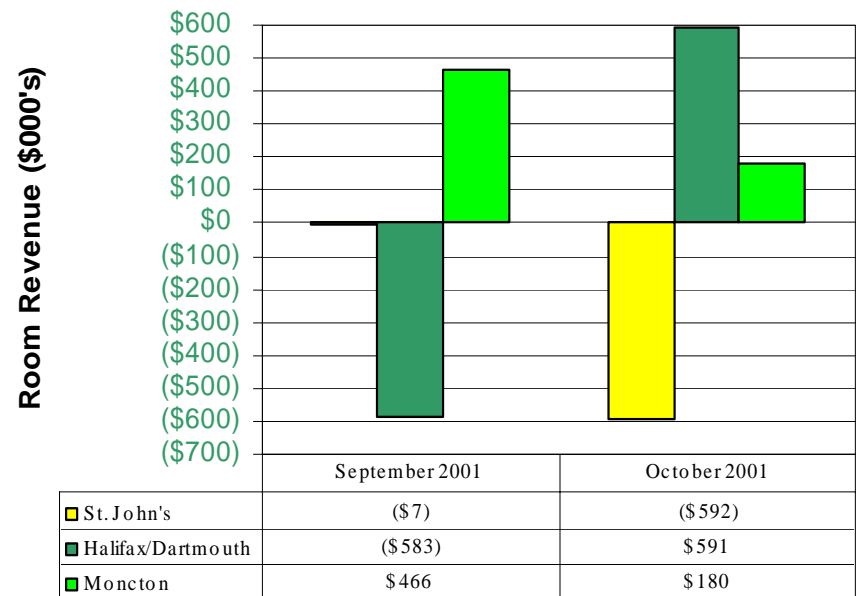


Exhibit 11

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Quebec Provincial Analysis

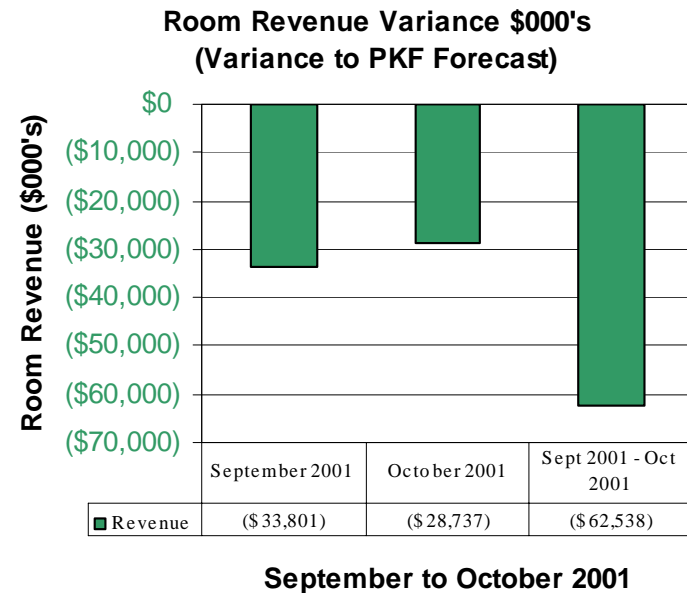
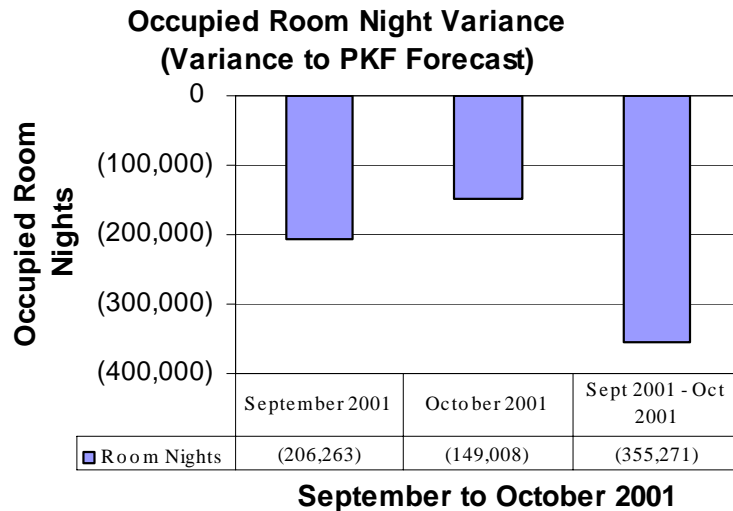
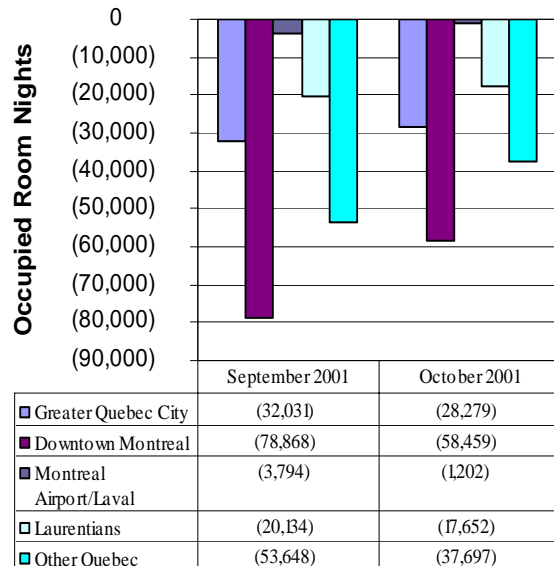


Exhibit 12

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Quebec Region Analysis

**Occupied Room Night Loss
(Variance to PKF Forecast)**



**Room Revenue Loss \$000's
(Variance to PKF Forecast)**

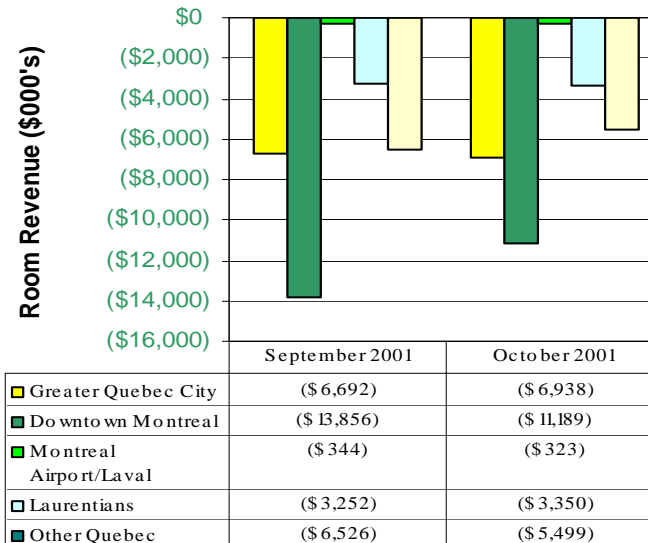
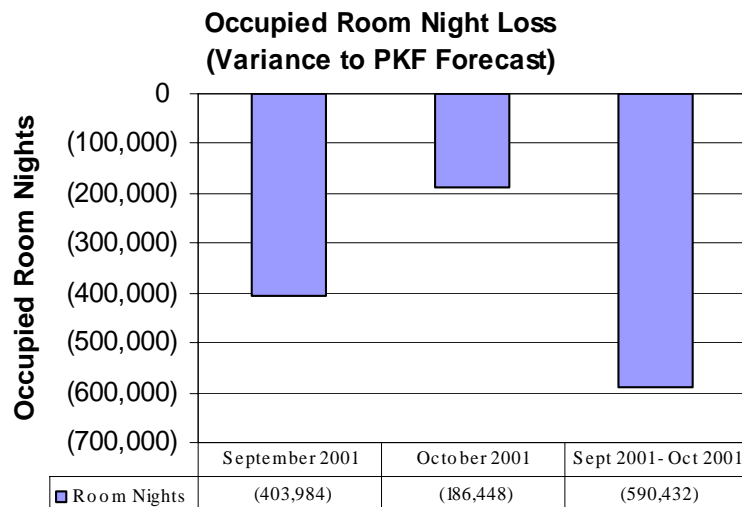


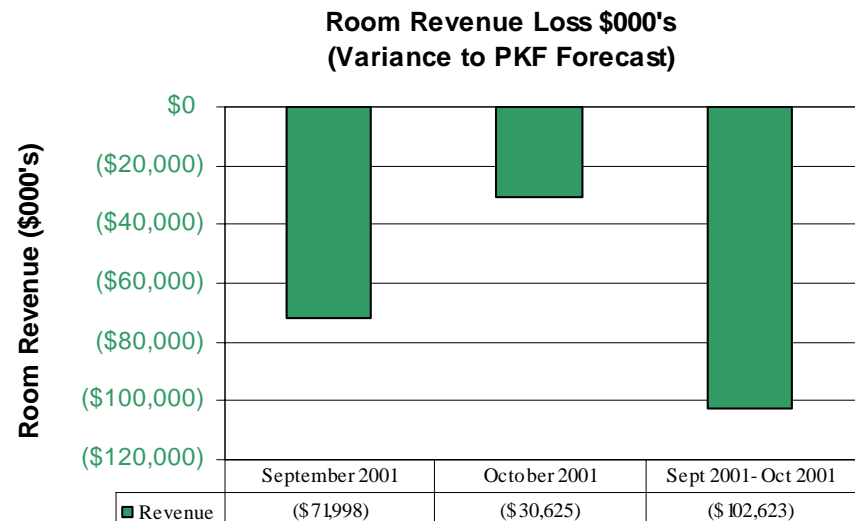
Exhibit 13

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Ontario Provincial Analysis



September to October 2001



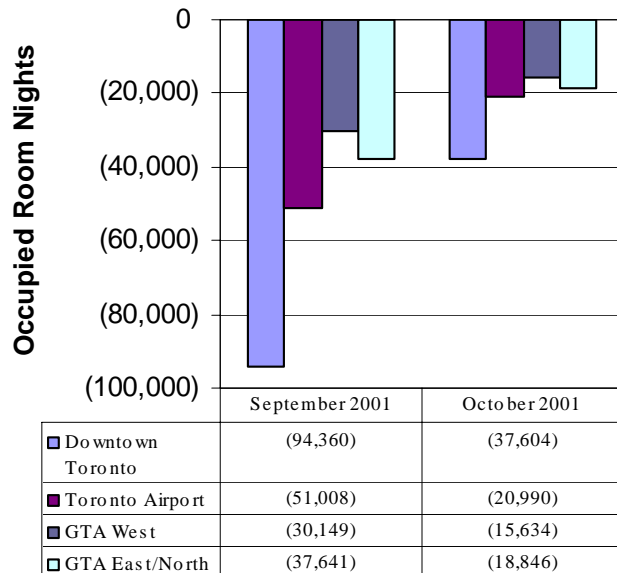
September to October 2001

Exhibit 14

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

GTA Market Analysis

**Occupied Room Night Loss
(Variance to PKF Forecast)**



**Room Revenue Loss \$000's
(Variance to PKF Forecast)**

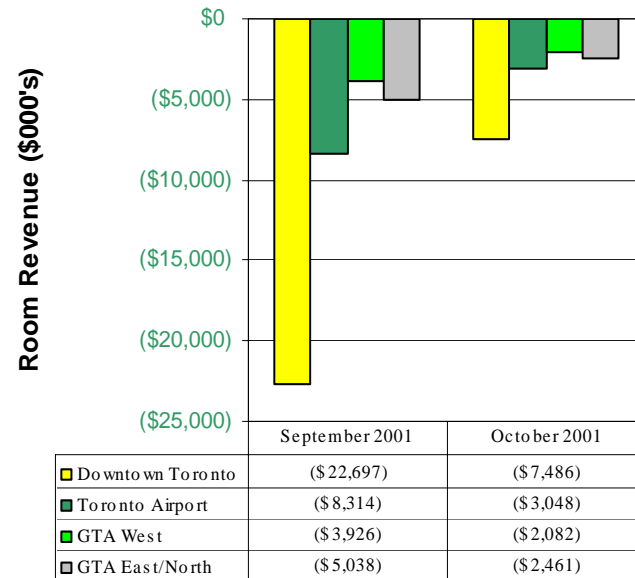
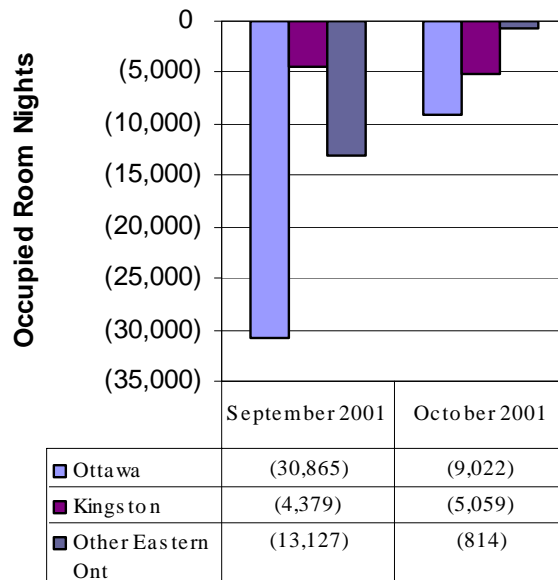


Exhibit 15

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Eastern Ontario Market Analysis

**Occupied Room Night Loss
(Variance to PKF Forecast)**



**Room Revenue Loss 000's
(Variance to PKF Forecast)**

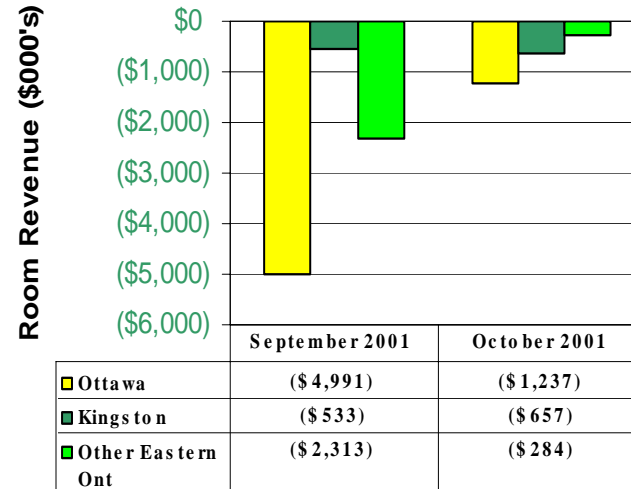


Exhibit 16

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Niagara Falls Region Analysis

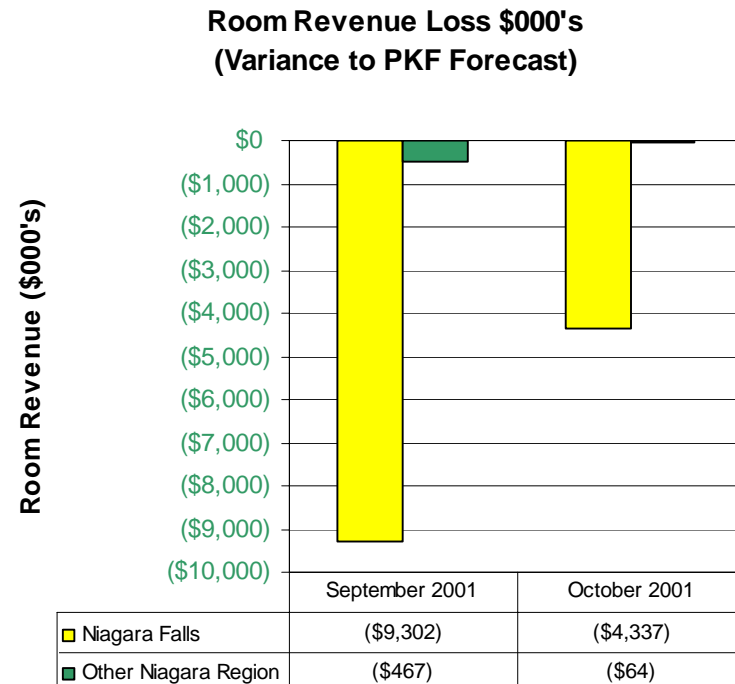
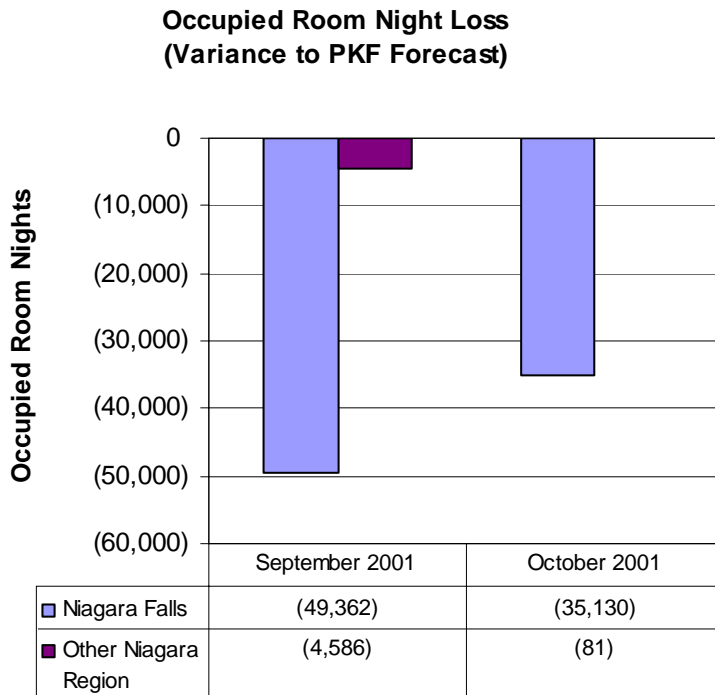
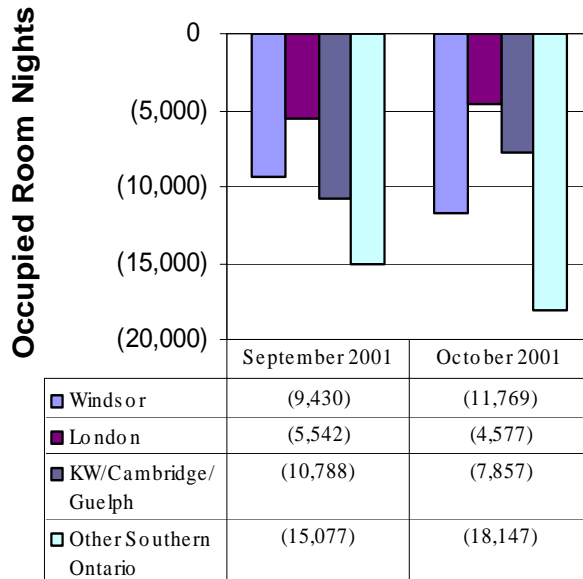


Exhibit 17

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Southern Ontario Region Analysis

**Occupied Room Night Loss
(Variance to PKF Forecast)**



**Room Revenue Loss \$000's
(Variance to PKF Forecast)**

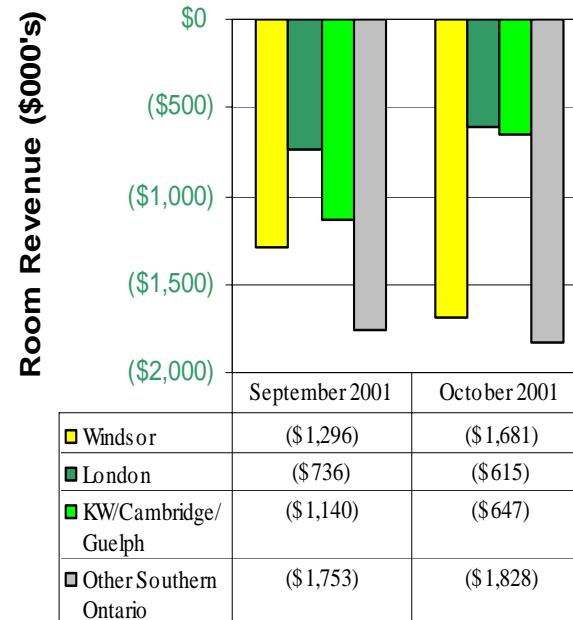


Exhibit 18

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Ontario Resorts Market Analysis

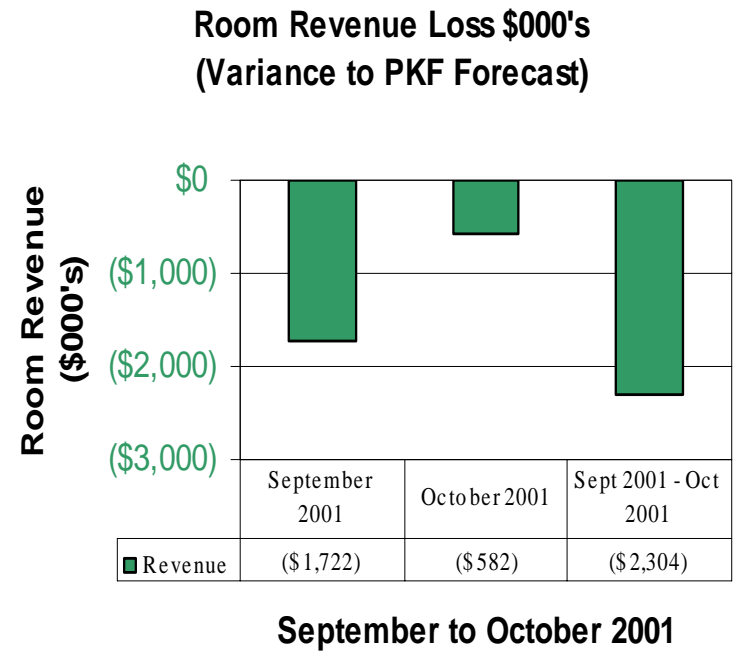
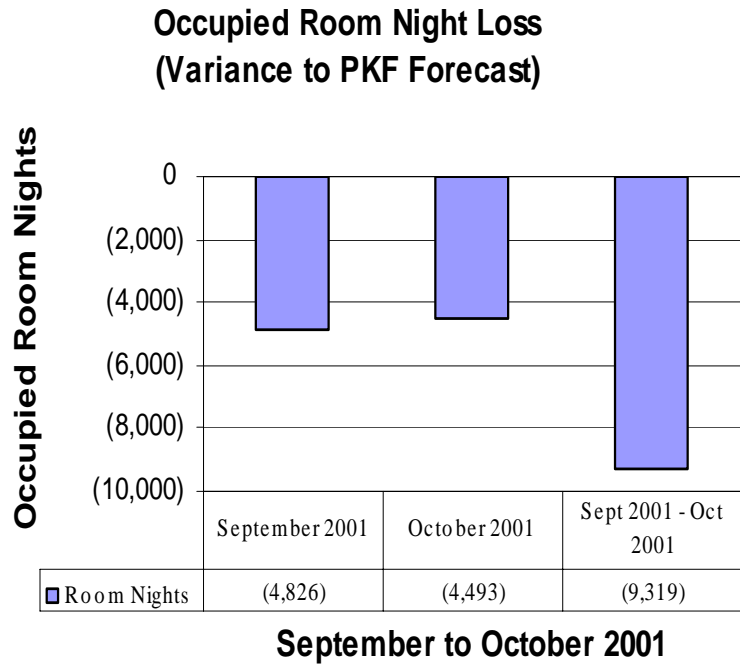
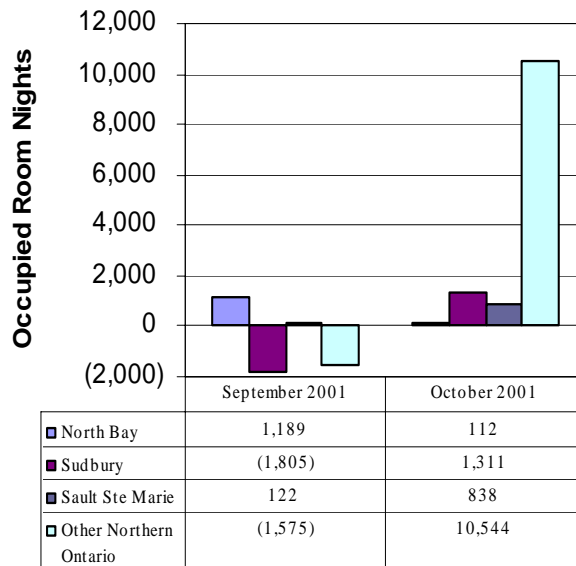


Exhibit 19

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Northern Ontario Region Analysis

**Occupied Room Night Variance
(Variance to PKF Forecast)**



**Room Revenue Variance \$000's
(Variance to PKF Forecast)**

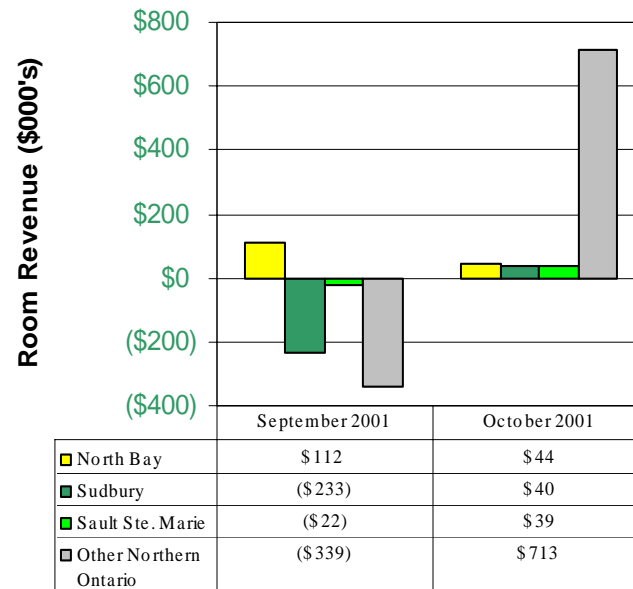


Exhibit 20

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Manitoba Provincial Analysis

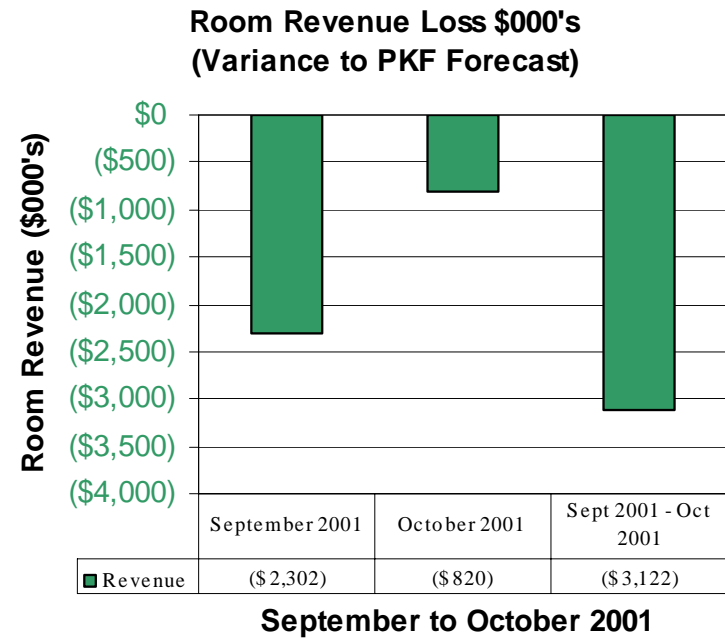
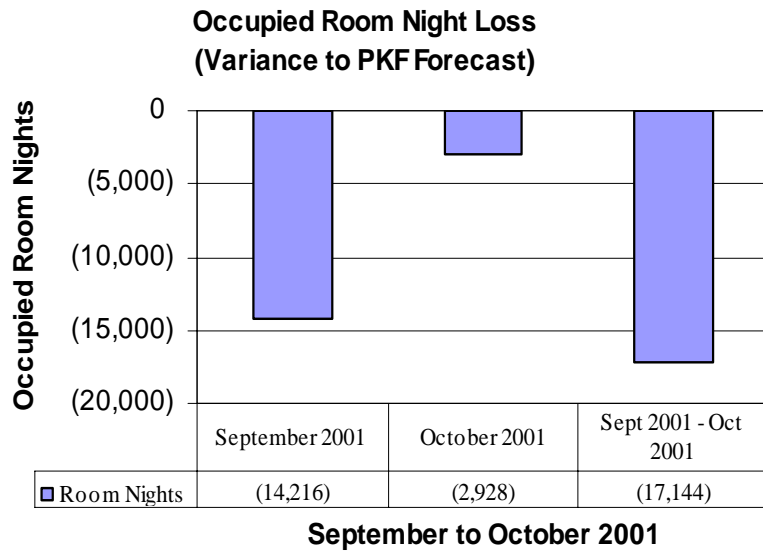
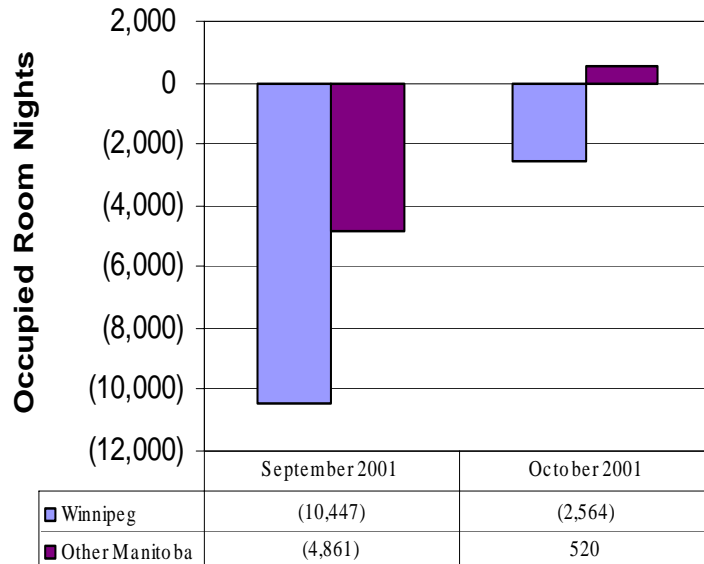


Exhibit 21

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Manitoba Market Analysis

**Occupied Room Night Variance
(Variance to PKF Forecast)**



**Room Revenue Variance \$000's
(Variance to PKF Forecast)**

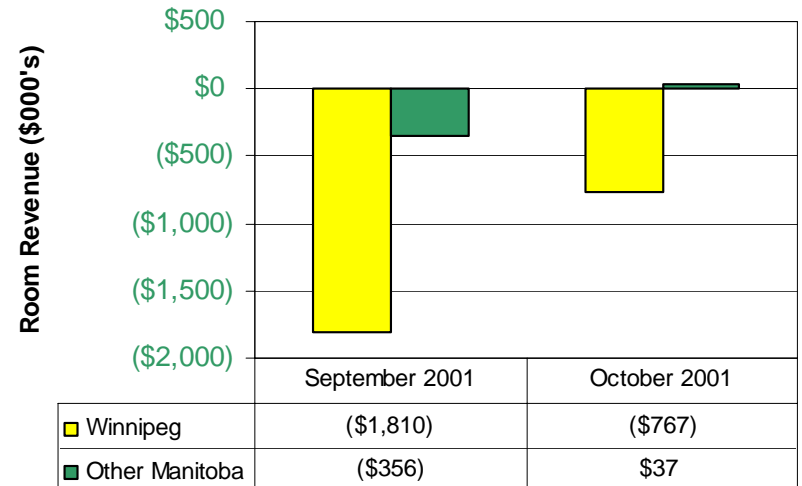
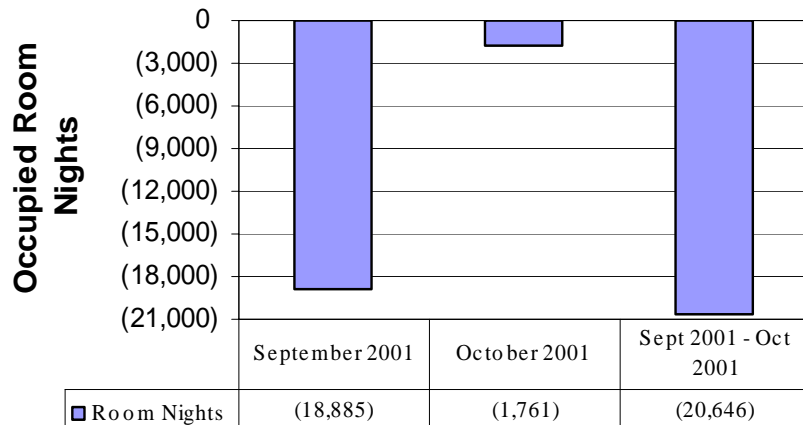


Exhibit 22

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

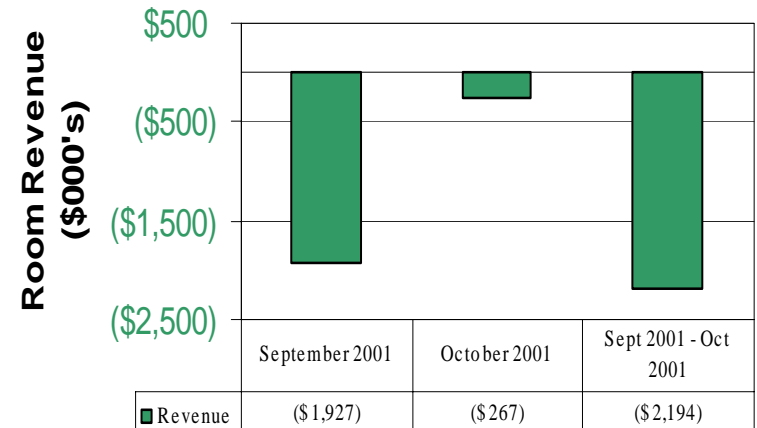
Saskatchewan Provincial Analysis

**Occupied Room Night Loss
(Variance to PKF Forecast)**



September to October 2001

**Room Revenue Loss \$000's
(Variance to PKF Forecast)**



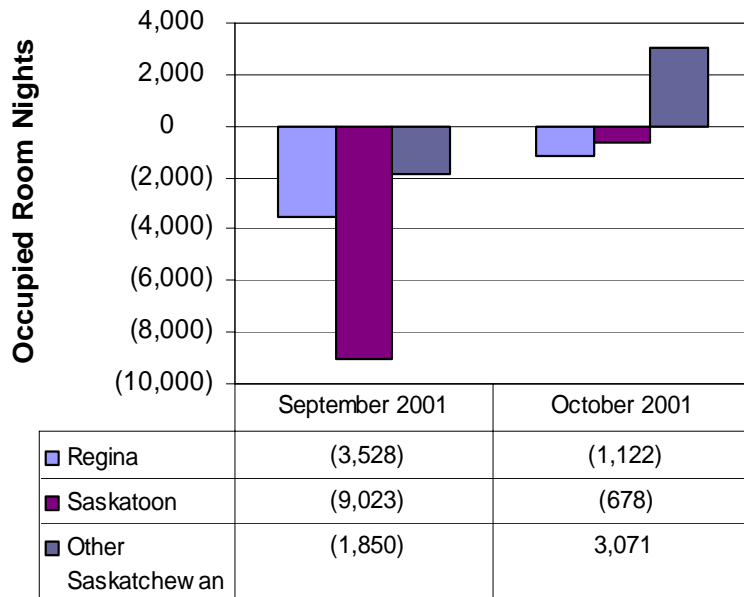
September to October 2001

Exhibit 23

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Saskatchewan Market Analysis

**Occupied Room Night Variance
(Variance to PKF Forecast)**



**Room Revenue Variance \$000's
(Variance to PKF Forecast)**

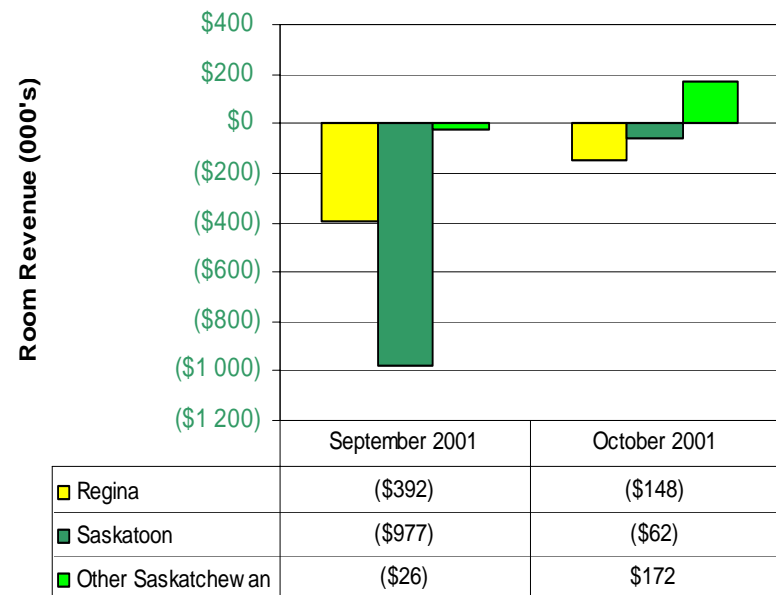


Exhibit 24

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Alberta Provincial Analysis

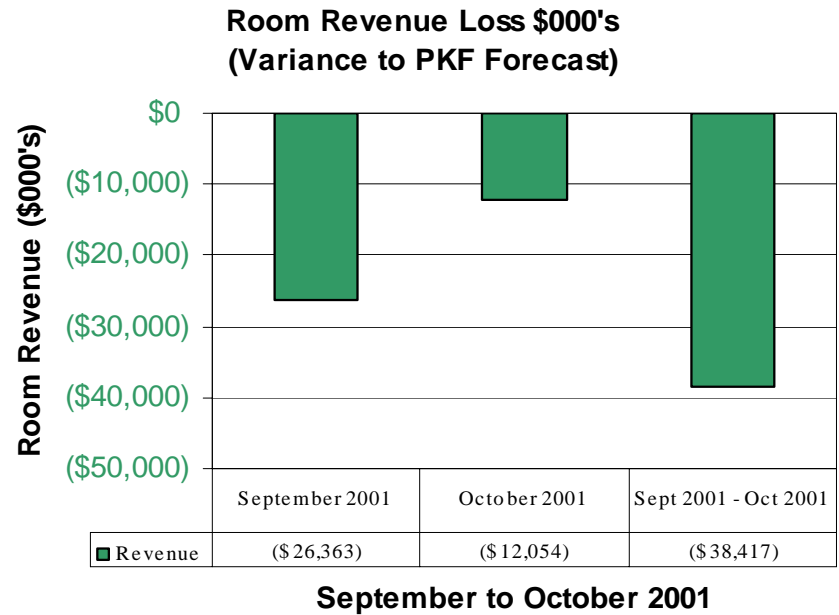
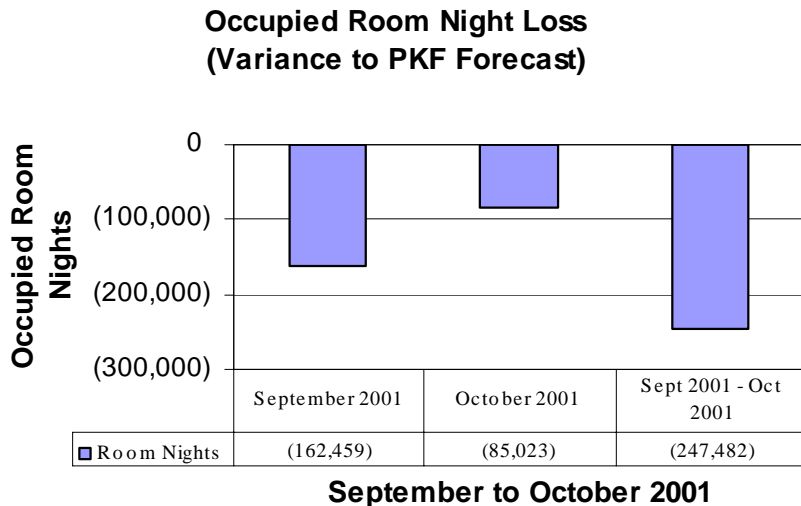
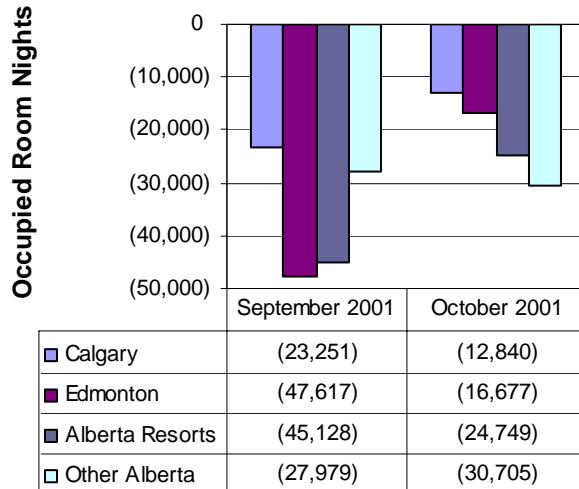


Exhibit 25

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Alberta Market Analysis

**Occupied Room Night Loss
(Variance to PKF Forecast)**



**Room Revenue Loss \$000's
(Variance to PKF Forecast)**

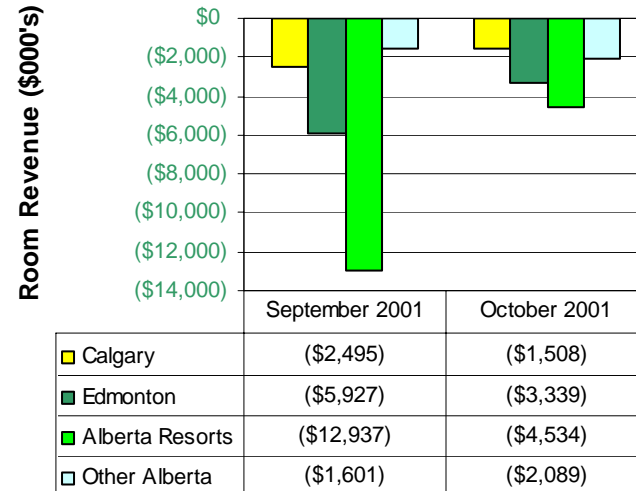
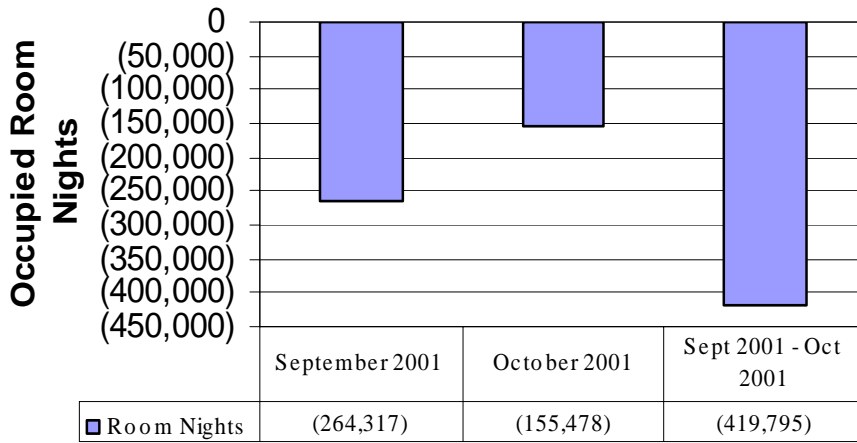


Exhibit 26

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

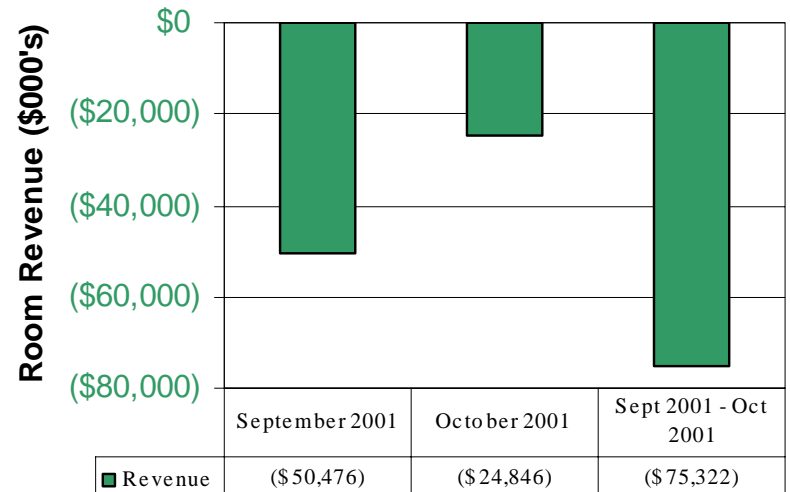
British Columbia Provincial Analysis

**Occupied Room Night Loss
(Variance to PKF Forecast)**



September to October 2001

**Room Revenue Loss \$000's
(Variance to PKF Forecast)**



September to October 2001

Exhibit 27

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Greater Vancouver Area Region Analysis

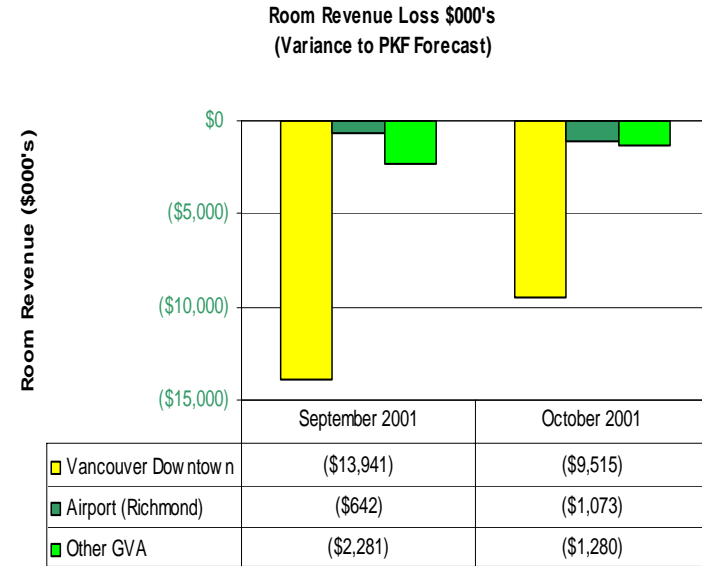
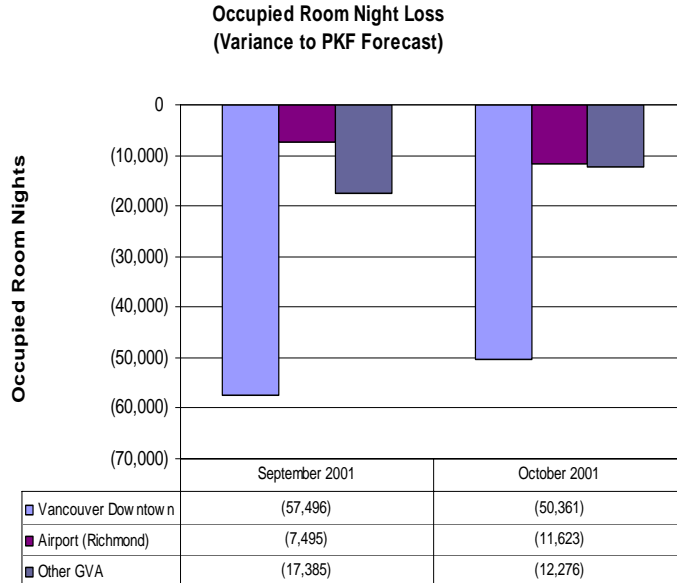


Exhibit 28

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Victoria Market Analysis

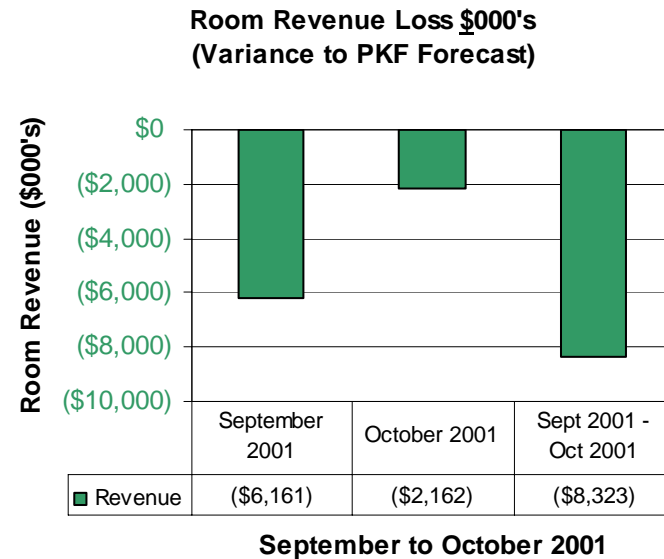
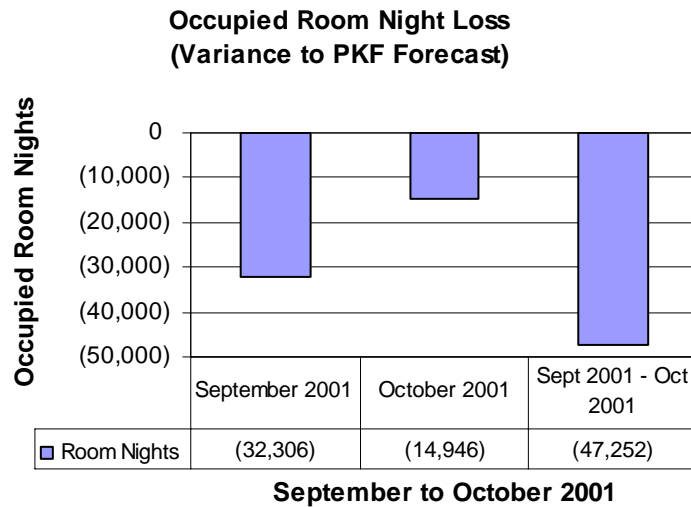
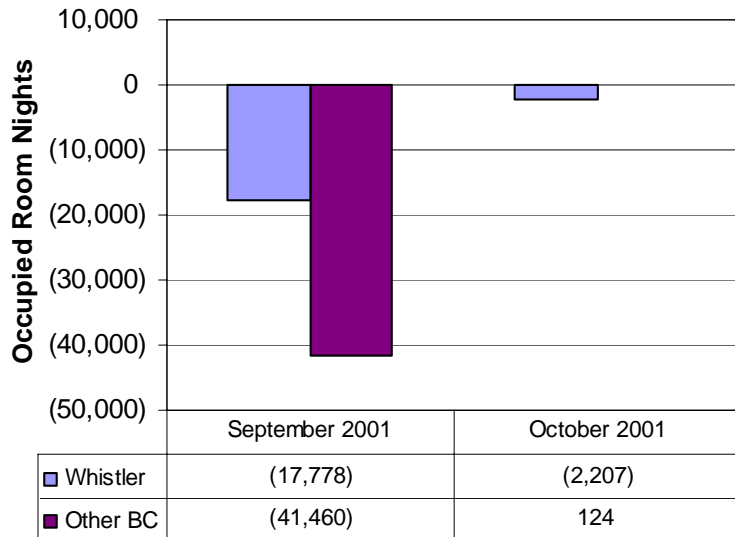


Exhibit 29

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Other BC Regions Analysis

**Occupied Room Night Variance
(Variance to PKF Forecast)**



**Room Revenue Variance \$000's
(Variance to PKF Forecast)**

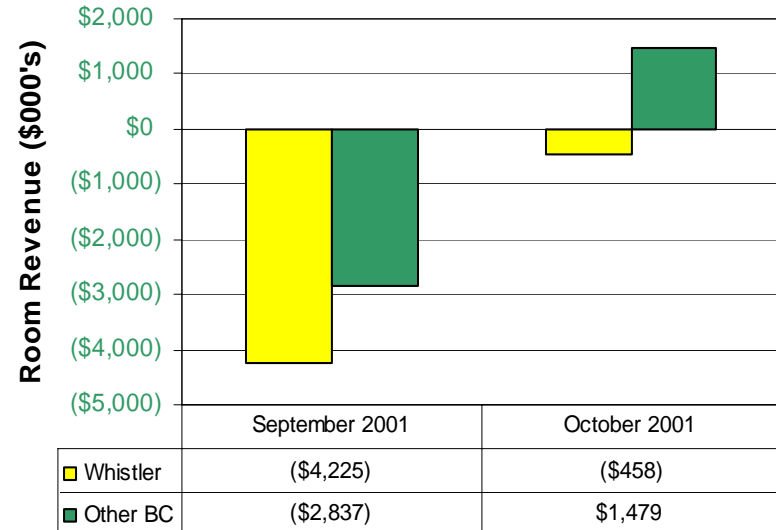
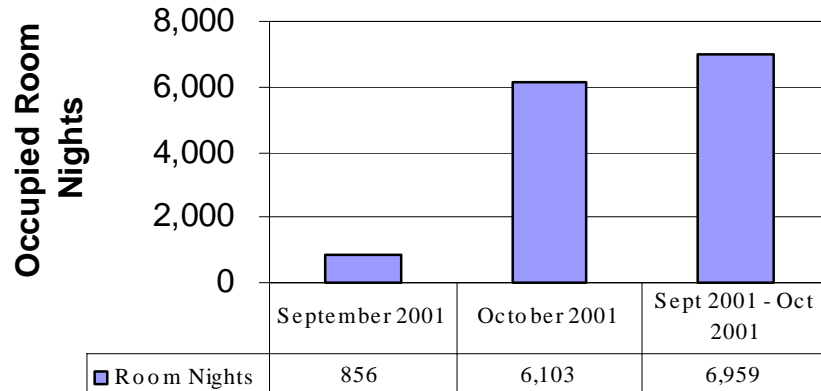


Exhibit 30

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

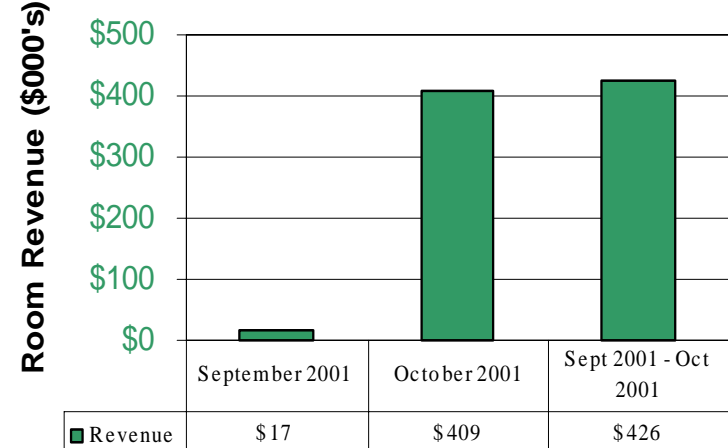
Yukon Provincial Analysis

**Occupied Room Night Variance
(Variance to PKF Forecast)**



September to October 2001

**Room Revenue Variance \$000's
(Variance to PKF Forecast)**

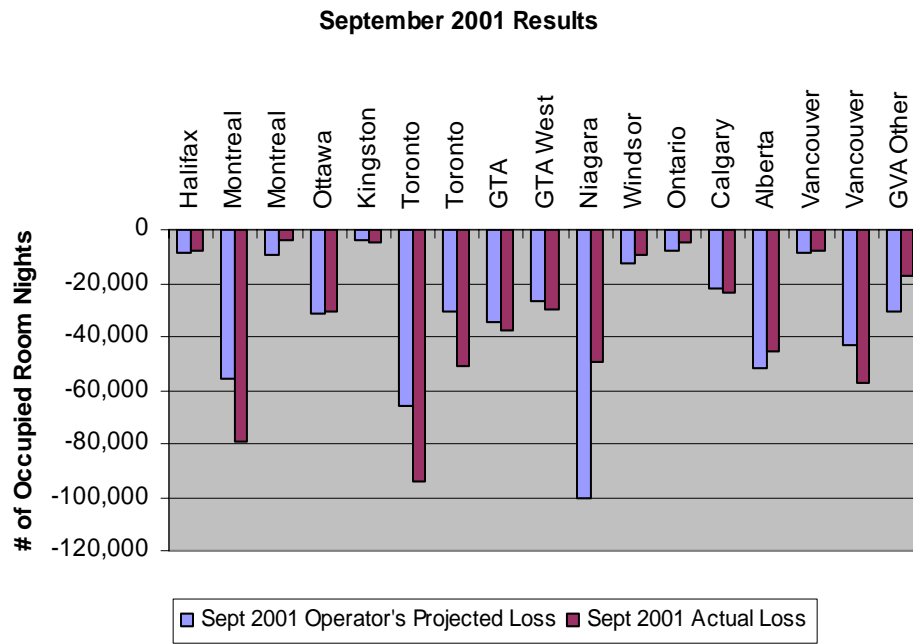


September to October 2001

Exhibit 31

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Hotel Operators' Projections vs. Actual Results Based On 17 Markets Originally Surveyed – Demand Loss

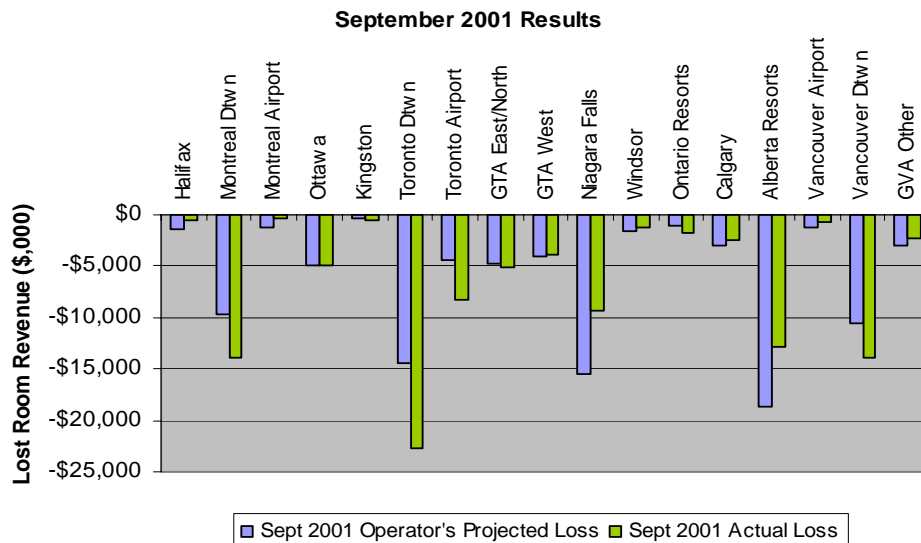


| Occupied Room Night Loss | Sept 2001 Operator's Projected Loss | Sept 2001 Actual Loss |
|--------------------------|-------------------------------------|-----------------------|
| Halifax | -8,661 | -7,813 |
| Montreal Dtnn | -55,988 | -78,868 |
| Montreal Airport | -9,539 | -3,794 |
| Ottawa | -31,363 | -30,865 |
| Kingston | -3,923 | -4,379 |
| Toronto Dtnn | -65,830 | -94,360 |
| Toronto Airport | -30,968 | -51,008 |
| GTA East/North | -34,684 | -37,641 |
| GTA West | -26,735 | -30,149 |
| Niagara Falls | -100,409 | -49,362 |
| Windsor | -12,763 | -9,430 |
| Ontario Resorts | -7,989 | -4,826 |
| Calgary | -22,214 | -23,251 |
| Alberta Resorts | -51,827 | -45,128 |
| Vancouver Airport | -8,580 | -7,495 |
| Vancouver Dtnn | -42,775 | -57,496 |
| GVA Other | -30,408 | -17,385 |
| Total | -544,656 | -553,250 |

Exhibit 32

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Hotel Operators' Projections vs. Actual Results Based On 17 Markets Originally Surveyed – Room Revenue Loss

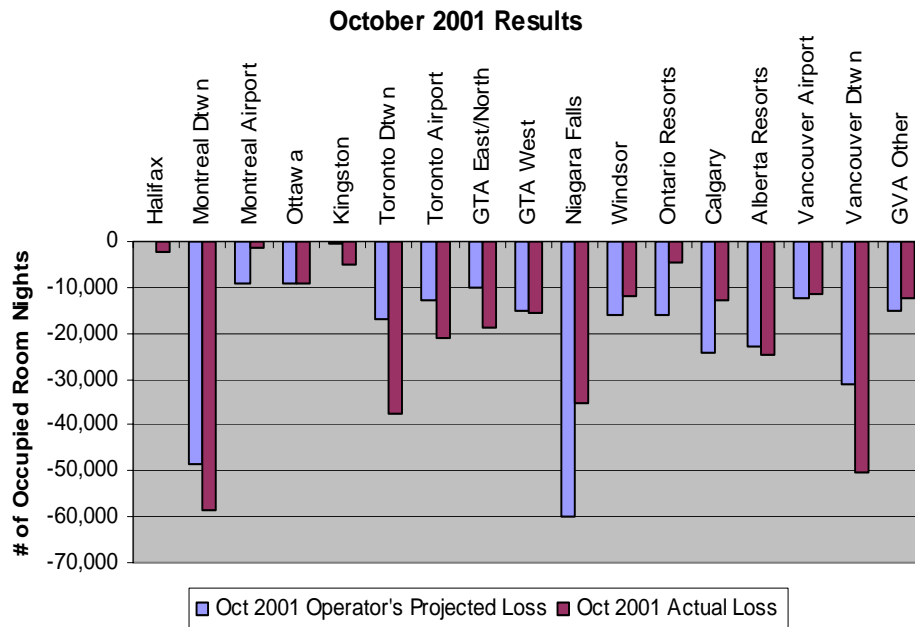


| Room Revenue Loss (\$000) | Sept 2001 | Sept 2001 |
|---------------------------|---------------------------|-------------------|
| | Operator's Projected Loss | Actual Loss |
| Halifax | -\$1,430 | -\$583 |
| Montreal Dtw n | -\$9,638 | -\$13,856 |
| Montreal Airport | -\$1,200 | -\$344 |
| Ottawa | -\$4,846 | -\$4,991 |
| Kingston | -\$392 | -\$533 |
| Toronto Dtw n | -\$14,360 | -\$22,697 |
| Toronto Airport | -\$4,335 | -\$8,314 |
| GTA East/North | -\$4,749 | -\$5,038 |
| GTA West | -\$4,042 | -\$3,926 |
| Niagara Falls | -\$15,489 | -\$9,302 |
| Windsor | -\$1,539 | -\$1,296 |
| Ontario Resorts | -\$1,051 | -\$1,722 |
| Calgary | -\$2,906 | -\$2,495 |
| Alberta Resorts | -\$18,724 | -\$12,937 |
| Vancouver Airport | -\$1,177 | -\$642 |
| Vancouver Dtw n | -\$10,523 | -\$13,941 |
| GVA Other | -\$3,067 | -\$2,281 |
| Total | -\$99,468 | -\$104,898 |

Exhibit 33

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Hotel Operators' Projections vs. Actual Results Based On 17 Markets Originally Surveyed – Demand Loss

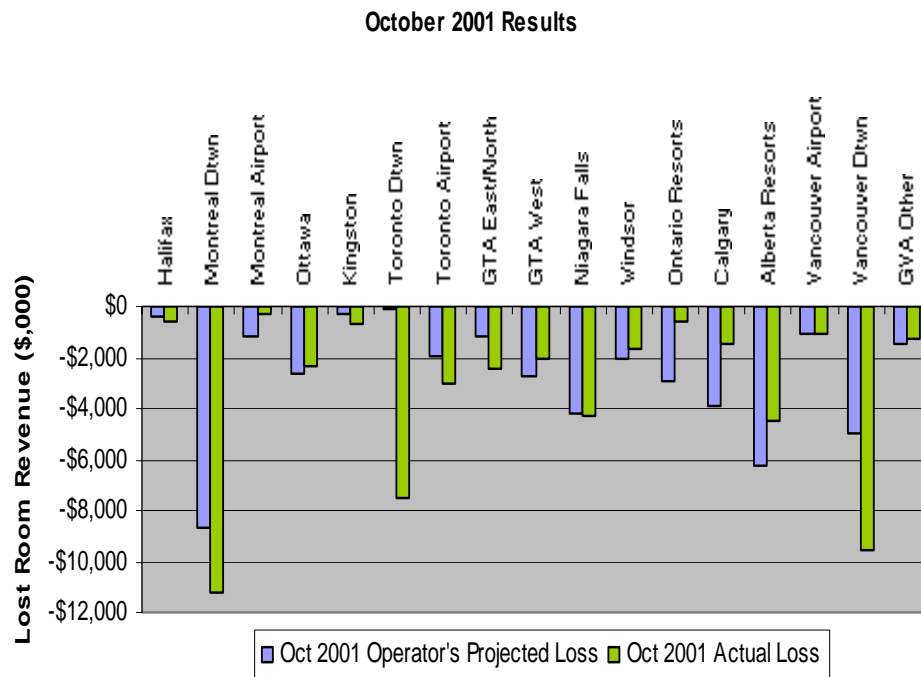


| Occupied Room Night Loss | Oct 2001 Operator's Projected Loss | Oct 2001 Actual Loss |
|--------------------------|------------------------------------|----------------------|
| Halifax | -216 | -2,172 |
| Montreal Dtw n | -48,677 | -58,459 |
| Montreal Airport | -9,322 | -1,202 |
| Ottawa | -9,370 | -9,022 |
| Kingston | -421 | -5,059 |
| Toronto Dtw n | -17,003 | -37,604 |
| Toronto Airport | -12,785 | -20,990 |
| GTA East/North | -9,922 | -18,846 |
| GTA West | -14,926 | -15,634 |
| Niagara Falls | -59,789 | -35,130 |
| Windsor | -15,822 | -11,769 |
| Ontario Resorts | -16,033 | -4,493 |
| Calgary | -24,150 | -12,840 |
| Alberta Resorts | -22,830 | -24,749 |
| Vancouver Airport | -12,446 | -11,623 |
| Vancouver Dtw n | -30,894 | -50,361 |
| GVA Other | -15,294 | -12,276 |
| Total | -319,900 | -332,229 |

Exhibit 34

Impact of the US Terrorist Attacks on Canada's Accommodation Industry

Hotel Operators' Projections vs. Actual Results Based On 17 Markets Originally Surveyed – Room Revenue Loss



| Room Revenue Loss | Oct 2001 Operator's Projected Loss | Oct 2001 Actual Loss |
|-------------------|------------------------------------|----------------------|
| Halifax | -\$412 | -\$591 |
| Montreal Dtwn | -\$8,723 | -\$11,189 |
| Montreal Airport | -\$1,137 | -\$323 |
| Ottawa | -\$2,604 | -\$2,313 |
| Kingston | -\$338 | -\$657 |
| Toronto Dtwn | -\$121 | -\$7,486 |
| Toronto Airport | -\$1,956 | -\$3,048 |
| GTA East/North | -\$1,181 | -\$2,461 |
| GTA West | -\$2,740 | -\$2,082 |
| Niagara Falls | -\$4,208 | -\$4,337 |
| Windsor | -\$2,027 | -\$1,681 |
| Ontario Resorts | -\$2,905 | -\$582 |
| Calgary | -\$3,893 | -\$1,508 |
| Alberta Resorts | -\$6,282 | -\$4,534 |
| Vancouver Airport | -\$1,113 | -\$5,479 |
| Vancouver Dtwn | -\$4,954 | -\$9,515 |
| GVA Other | -\$1,512 | -\$1,280 |
| Total | -\$46,106 | -\$59,066 |