MARKET STUDY THROUGH OCCUPANCY AND AVERAGE RATE

Proposed Hotel Brighton

BRIGHTON, ONTARIO

SUBMITTED TO:
Mr. Ben Hagerman
Municipality of Brighton
35 Alice Street
Brighton, Ontario, K0K 1H0
+1 (613) 475-0670 ext. 207

PREPARED BY:
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DBA: HVS Consulting & Valuation
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July 17, 2020

Mr. Ben Hagerman  
Municipality of Brighton  
35 Alice Street  
Brighton, Ontario, K0K 1H0

Re: Proposed Hotel Brighton  
Brighton, Ontario  
HVS Reference: 2020160028

Dear Mr. Hagerman:

In response to your request, we herewith submit our market study pertaining to the above-captioned property. We have inspected the subject site located on Elizabeth Street, Brighton, Ontario and analyzed the hotel market conditions in the area of Brighton, Ontario. We have made recommendations for the proposed property and the results of our fieldwork and analysis are presented in this report.

Based on our findings, we recommend the proposed subject hotel to have 60 rooms and to be associated with an internationally recognized midscale/upper-midscale brand, such as a Comfort Inn, a Best Western, a Super 8, or a Park Inn. We recommend that the amenities include a breakfast dining area, an indoor swimming pool, a fitness room, business centre, a market pantry, vending areas and a guest laundry area. We recommend the proposed subject hotel to contain the appropriate parking capacity (60 surface stalls) and all the necessary back-of-the-house space.

We have developed occupancy and ADR projections for the proposed midscale/upper-midscale limited-service hotel under three site scenarios in Brighton, Ontario. In Scenario 1, we assume that the subject site is located on Elizabeth Street. Scenario 2 assumes that the proposed subject hotel is located in an unspecified highway location, and Scenario 3 assumes an unspecified waterfront location.

This report was produced amid significant market disruption related to COVID-19. The potential impact of the pandemic is addressed throughout the report based on market perspectives and information available on or about the effective date of the report. The prevailing market outlook is that the direct impact of the pandemic on the travel industry will be temporary, with demand being affected at varying levels through 2020. However, the situation is unprecedented and, as of the effective date of this report, remains highly uncertain. A recovery in the hospitality industry is expected to begin at some point during this summer. The extent of impact on the regional and national economies is uncertain; however, our market research indicates that there is a general expectation that recovery from any further economic-related downturn would span 12 to 24 months, assuming that global travel activity resumes.
We hereby certify that we have no undisclosed interest in the property and that our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Sincerely,
MM&R Valuation Services, Inc.

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Qualifications
1. Executive Summary

We have inspected the subject site located on Elizabeth Street, Brighton, Ontario and analyzed the hotel market conditions in the area of Brighton, Ontario. The subject of this market study is a 65,250-square-foot (1.50-acre) parcel that is to be improved with a limited-service lodging facility; the proposed subject hotel’s brand affiliation has yet to be determined. We have made recommendations for the proposed property and the results of our fieldwork and analysis are presented in this report.

Based on our findings, we recommend the proposed subject hotel to have 60 rooms and to be associated with an internationally recognized midscale/upper-midscale brand, such as a Comfort Inn, a Best Western, a Super 8, or a Park Inn. We recommend that the amenities include a breakfast dining area, an indoor swimming pool, a fitness room, business centre, a market pantry, vending areas and a guest laundry area. We recommend the proposed subject hotel to contain the appropriate parking capacity (60 surface stalls) and all the necessary back-of-the-house space.

We have developed occupancy and ADR projections for the proposed midscale/upper-midscale limited-service hotel under three site scenarios in Brighton, Ontario. In Scenario 1, we assume that the subject site is located on Elizabeth Street. Scenario 2 assumes that the proposed subject hotel is located in an unspecified highway location, and Scenario 3 assumes an unspecified waterfront location.

The subject site is located on Elizabeth Street in Brighton, Ontario. In addition to this site, we analyzed the potential occupancy and rate performance of the proposed subject hotel for two other potential locations that could be developed with a midscale/upper-midscale limited-service lodging facility. One of these sites is assumed to be located on highway 401, and the other is assumed to be on the waterfront; however, no specific site has been identified aside from the site located on Elizabeth Street.

The subject site located on Elizabeth Street is assumed to approximately 1.50 acres (65,250 square feet). This site needs to be severed from a larger ±18.57-acre development site. The other two potential sites are also assumed to be 1.5 acres.

The effective date of this report is July 17, 2020. Jingjianxiong ‘Charlie’ Shi, AACI, inspected the subject site on Elizabeth Street on June 30, 2020. Jingjianxiong ‘Charlie’ Shi, AACI, and Devisha Khanna – Hadžić, AIC Candidate Member, participated in the research for this assignment and assisted in the preparation of
COVID-19 (a strain of coronavirus) was identified in China in December 2019 and has since become a global pandemic. At this point, the impact of the virus is being felt throughout Canada. All forms of travel have been negatively impacted. To limit the spread of the virus, the Government of Canada has closed the border to foreign visitors, including those from the US, and it is actively discouraging all non-essential travel within the country. The responses of provincial governments have varied but generally include the banning of large gatherings and the closure of schools, restaurants and bars, and casinos. Across Canada, the number of reported virus cases is now generally in decline.

The World Health Organization (WHO) officially declared COVID-19 a global pandemic on March 11, 2020, as the disease continued to spread across the world. In response, large conferences and events have been cancelled, and companies across the country have severely restricted travel as a precautionary measure. The impact on the lodging industry has been substantial. At this time, however, we have no insight into how long restrictions on travel and large gatherings of people are likely to remain in place, although some provinces, including Ontario, started the slow process of re-opening earlier this summer. It is also difficult to assess the specific impact on cash flows for individual properties given the lack of evidence at this early stage. Once more time has elapsed, this will become easier to assess, allowing us to more accurately measure the impact of the pandemic on lodging facilities across Canada.

For this analysis, our projections for the competitive market reflect the anticipated impact of COVID-19 in the short term. The economic impact is expected to persist after the pandemic has run its course. The collapse of the price of oil, coupled with oil supply growth as a result of a price war between OPEC+ members, is compounding the demand reductions resulting from COVID-19. This will result in a greater impact for energy markets across Canada over a longer time period given that companies are slashing capital spending, which will have enduring consequences for lodging demand in these markets.

Nevertheless, the long-term fundamentals for the Canadian lodging industry remain strong. As such, our views on capitalization rates reflect this long-term perspective. Ultimately, the impact of COVID-19 on the hospitality industry will depend on the course of the pandemic, the extent and duration of travel restrictions, the public response to these events, and how long before the economic recovery spurs an increase in the demand for oil.
This report was produced amid significant market disruption related to COVID-19. The potential impact of the pandemic is addressed throughout the report based on market perspectives and information available on or about the effective date of the report. The prevailing market outlook is that the direct impact of the pandemic on the travel industry will be temporary, with demand being affected at varying levels through 2020. However, the situation is unprecedented and, as of the effective date of this report, remains highly uncertain. A recovery in the hospitality industry is expected to begin at some point during this summer. The extent of impact on the regional and national economies is uncertain; however, our market research indicates that there is a general expectation that recovery from any further economic-related downturn would span 12 to 24 months, assuming that global travel activity resumes.

**Ownership, Franchise, and Management Assumptions**

The subject site located on Elizabeth Street, Brighton, Ontario. We note that the subject site was purchased in January 2020 for a reported consideration of $2,000,000 by a private developer. Moreover, the highway location and the waterfront location have not been identified.

The management terms have yet to be determined. For this study, we assume that a professional hotel-operating company will manage the proposed subject hotel. We recommend that the proposed subject hotel operates as a midscale or upper-midscale limited-service hotel. The specific franchise affiliation has yet to be finalized. Based on our findings, we recommend the proposed subject hotel to be associated with an internationally recognized midscale/upper-midscale brand, such as a Comfort Inn, a Best Western, a Super 8, or a Park Inn.

**Summary of Hotel Market Trends**

The following table provides a historical perspective on supply and demand trends for a group of hotels that is considered representative of the proposed subject hotel's competitive market as provided by STR, an independent research firm that compiles and publishes data on the lodging industry.
### FIGURE 1-1  HISTORICAL SUPPLY AND DEMAND TRENDS (STR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Daily Room Count</th>
<th>Available Room Nights</th>
<th>Change</th>
<th>Occupied Room Nights</th>
<th>Change</th>
<th>Occupancy</th>
<th>Average Rate</th>
<th>Change</th>
<th>RevPAR</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>636</td>
<td>232,018</td>
<td>—</td>
<td>145,805</td>
<td>—</td>
<td>62.8 %</td>
<td>$106.53</td>
<td>—</td>
<td>$66.95</td>
<td>—</td>
</tr>
<tr>
<td>2013</td>
<td>635</td>
<td>231,775</td>
<td>(0.1) %</td>
<td>142,032</td>
<td>(2.6) %</td>
<td>61.3 %</td>
<td>109.94</td>
<td>3.2 %</td>
<td>67.37</td>
<td>0.6 %</td>
</tr>
<tr>
<td>2014</td>
<td>635</td>
<td>231,775</td>
<td>0.0</td>
<td>142,718</td>
<td>0.5</td>
<td>61.6 %</td>
<td>112.18</td>
<td>2.0</td>
<td>69.07</td>
<td>2.5</td>
</tr>
<tr>
<td>2015</td>
<td>735</td>
<td>268,275</td>
<td>15.7</td>
<td>147,409</td>
<td>3.3</td>
<td>54.9 %</td>
<td>121.02</td>
<td>7.9</td>
<td>66.50</td>
<td>(3.7)</td>
</tr>
<tr>
<td>2016</td>
<td>732</td>
<td>267,357</td>
<td>(0.3)</td>
<td>159,012</td>
<td>7.9</td>
<td>59.5 %</td>
<td>126.43</td>
<td>4.5</td>
<td>75.20</td>
<td>13.1</td>
</tr>
<tr>
<td>2017</td>
<td>729</td>
<td>266,085</td>
<td>(0.5)</td>
<td>160,352</td>
<td>0.8</td>
<td>60.3 %</td>
<td>129.91</td>
<td>2.7</td>
<td>78.29</td>
<td>4.1</td>
</tr>
<tr>
<td>2018</td>
<td>740</td>
<td>270,080</td>
<td>1.5</td>
<td>169,066</td>
<td>5.4</td>
<td>62.6 %</td>
<td>135.75</td>
<td>4.5</td>
<td>84.98</td>
<td>8.5</td>
</tr>
<tr>
<td>2019</td>
<td>797</td>
<td>290,905</td>
<td>7.7</td>
<td>169,870</td>
<td>0.5</td>
<td>58.4 %</td>
<td>132.67</td>
<td>(2.3)</td>
<td>77.47</td>
<td>(8.8)</td>
</tr>
</tbody>
</table>

**Year-to-Date Through April**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Daily Room Count</th>
<th>Available Room Nights</th>
<th>Change</th>
<th>Occupied Room Nights</th>
<th>Change</th>
<th>Occupancy</th>
<th>Average Rate</th>
<th>Change</th>
<th>RevPAR</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>797</td>
<td>95,640</td>
<td>—</td>
<td>42,739</td>
<td>—</td>
<td>44.7 %</td>
<td>$124.77</td>
<td>—</td>
<td>$55.76</td>
<td>—</td>
</tr>
<tr>
<td>2020</td>
<td>797</td>
<td>95,640</td>
<td>0.0 %</td>
<td>47,690</td>
<td>11.6 %</td>
<td>49.9 %</td>
<td>122.26</td>
<td>(2.0)</td>
<td>60.97</td>
<td>9.3 %</td>
</tr>
</tbody>
</table>

Average Annual Compounded Change:

<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–2019</td>
<td>3.3 %</td>
</tr>
<tr>
<td></td>
<td>2.2 %</td>
</tr>
<tr>
<td></td>
<td>3.2 %</td>
</tr>
<tr>
<td></td>
<td>2.1 %</td>
</tr>
</tbody>
</table>

Source: STR

### FIGURE 1-2  HOTELS INCLUDED IN THE TRENDS REPORT

<table>
<thead>
<tr>
<th>Hotels Included in Sample</th>
<th>Class</th>
<th>Competitive Status</th>
<th>Number of Rooms</th>
<th>Year Opened</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Inn &amp; Suites Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>69</td>
<td>Nov 2018</td>
</tr>
<tr>
<td>TownePlace Suites Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>100</td>
<td>Jan 2015</td>
</tr>
<tr>
<td>Holiday Inn Express &amp; Suites Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>80</td>
<td>Jun 2007</td>
</tr>
<tr>
<td>Travelodge Trenton</td>
<td>Economy</td>
<td>Secondary</td>
<td>43</td>
<td>Jun 2006</td>
</tr>
<tr>
<td>Comfort Inn Trenton</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>74</td>
<td>Jun 1990</td>
</tr>
<tr>
<td>Best Western Belleville</td>
<td>Midscale</td>
<td>Secondary</td>
<td>88</td>
<td>Jun 1988</td>
</tr>
<tr>
<td>Ramada Trenton</td>
<td>Midscale</td>
<td>Secondary</td>
<td>108</td>
<td>Jun 1979</td>
</tr>
<tr>
<td>Comfort Inn Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>121</td>
<td>Jun 1978</td>
</tr>
<tr>
<td>Fairfield Inn &amp; Suites Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>114</td>
<td>Jun 1961</td>
</tr>
</tbody>
</table>

**Total** 797

Source: STR
The following table summarizes the important operating characteristics of the proposed subject hotel's future competitors, which are all considered secondarily competitive on the basis of differences in location. This information was compiled from personal interviews, inspections, online resources, and our in-house database of hotel operating and facility data. Additional context for this information is presented in the “Supply and Demand Analysis” chapter.
### FIGURE 1-3  SECONDARY COMPETITORS – OPERATING PERFORMANCE

<table>
<thead>
<tr>
<th>Property</th>
<th>Number of Rooms</th>
<th>Commercial</th>
<th>Meeting and Group</th>
<th>Leisure</th>
<th>Total Competitive Level</th>
<th>Weighted Annual Room Count</th>
<th>Occ.</th>
<th>Average Rate</th>
<th>RevPAR</th>
<th>Weighted Annual Room Count</th>
<th>Occ.</th>
<th>Average Rate</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort Inn Trenton</td>
<td>74</td>
<td>70 %</td>
<td>10 %</td>
<td>20 %</td>
<td>50 %</td>
<td>37</td>
<td>50</td>
<td>$115 - $120</td>
<td>$60 - $65</td>
<td>37</td>
<td>40 - 45 %</td>
<td>$115 - $120</td>
<td>$50 - $55</td>
</tr>
<tr>
<td>Ramada Trenton Hotel</td>
<td>108</td>
<td>60 %</td>
<td>20</td>
<td>20</td>
<td>25</td>
<td>27</td>
<td>45</td>
<td>110 - 115</td>
<td>50 - 55</td>
<td>27</td>
<td>35 - 40</td>
<td>105 - 110</td>
<td>40 - 45</td>
</tr>
<tr>
<td>Travelodge Trenton</td>
<td>43</td>
<td>75 %</td>
<td>5</td>
<td>20</td>
<td>25</td>
<td>11</td>
<td>55</td>
<td>100 - 105</td>
<td>55 - 60</td>
<td>11</td>
<td>45 - 50</td>
<td>100 - 105</td>
<td>45 - 50</td>
</tr>
<tr>
<td>Best Western Belleville</td>
<td>88</td>
<td>60 %</td>
<td>10</td>
<td>30</td>
<td>25</td>
<td>22</td>
<td>70</td>
<td>130 - 140</td>
<td>95 - 100</td>
<td>22</td>
<td>60 - 65</td>
<td>130 - 140</td>
<td>85 - 90</td>
</tr>
<tr>
<td>Country Inn &amp; Suites by Radisson Belleville</td>
<td>69</td>
<td>55 %</td>
<td>10</td>
<td>35</td>
<td>50</td>
<td>6</td>
<td>20</td>
<td>120 - 125</td>
<td>25 - 30</td>
<td>35</td>
<td>60 - 65</td>
<td>130 - 140</td>
<td>85 - 90</td>
</tr>
<tr>
<td>Comfort Inn Belleville</td>
<td>121</td>
<td>65 %</td>
<td>5</td>
<td>30</td>
<td>50</td>
<td>61</td>
<td>70</td>
<td>105 - 110</td>
<td>75 - 80</td>
<td>61</td>
<td>60 - 65</td>
<td>105 - 110</td>
<td>65 - 70</td>
</tr>
<tr>
<td>Fairfield by Marriott Belleville</td>
<td>114</td>
<td>55 %</td>
<td>15</td>
<td>30</td>
<td>50</td>
<td>57</td>
<td>60</td>
<td>150 - 160</td>
<td>90 - 95</td>
<td>57</td>
<td>50 - 55</td>
<td>140 - 150</td>
<td>75 - 80</td>
</tr>
<tr>
<td>Holiday Inn Express Hotel &amp; Suites Belleville</td>
<td>80</td>
<td>60 %</td>
<td>10</td>
<td>30</td>
<td>50</td>
<td>40</td>
<td>70</td>
<td>170 - 180</td>
<td>120 - 125</td>
<td>40</td>
<td>70 - 75</td>
<td>160 - 170</td>
<td>115 - 120</td>
</tr>
<tr>
<td>TownePlace Suites by Marriott Belleville</td>
<td>100</td>
<td>55 %</td>
<td>10</td>
<td>35</td>
<td>25</td>
<td>25</td>
<td>65</td>
<td>160 - 170</td>
<td>115 - 120</td>
<td>25</td>
<td>65 - 70</td>
<td>160 - 170</td>
<td>105 - 110</td>
</tr>
<tr>
<td><strong>Totals/Averages</strong></td>
<td><strong>797</strong></td>
<td><strong>60 %</strong></td>
<td><strong>10 %</strong></td>
<td><strong>29 %</strong></td>
<td><strong>39 %</strong></td>
<td><strong>285</strong></td>
<td><strong>63.1 %</strong></td>
<td><strong>$135.46</strong></td>
<td><strong>$85.47</strong></td>
<td><strong>314</strong></td>
<td><strong>59.2 %</strong></td>
<td><strong>$132.71</strong></td>
<td><strong>$78.52</strong></td>
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</tbody>
</table>

Specific occupancy and average rate data are used in our analysis, but ranges are presented in the above table to preserve confidentiality.
We developed a forecast of occupancy and ADR for the proposed midscale/upper-midscale limited-service hotel under three location scenarios in Brighton, Ontario: Elizabeth Street; an unspecified highway location; and an unspecified waterfront location.

**Scenario 1: Elizabeth Street**

Based on our analysis presented in the “Projection of Occupancy and Average Rate” chapter, we have chosen to use a stabilized occupancy level of 62% and a base-year rate position of $135.12 for the proposed subject hotel under Scenario 1, which assumes that the proposed subject hotel is located on Elizabeth Street. The following table summarizes our occupancy and average room rate projections for the proposed subject hotel and the market under Scenario 1.

**FIGURE 1-4 SCENARIO 1 OCCUPANCY FORECAST – PROPOSED SUBJECT HOTEL**

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>47,776</td>
<td>49,564</td>
<td>50,745</td>
<td>51,962</td>
</tr>
<tr>
<td>Market Share</td>
<td>10.4 %</td>
<td>13.9 %</td>
<td>14.5 %</td>
<td>14.5 %</td>
</tr>
<tr>
<td>Capture</td>
<td>4,947</td>
<td>6,887</td>
<td>7,352</td>
<td>7,529</td>
</tr>
<tr>
<td>Penetration</td>
<td>94 %</td>
<td>98 %</td>
<td>102 %</td>
<td>102 %</td>
</tr>
<tr>
<td><strong>Meeting and Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>9,206</td>
<td>9,682</td>
<td>9,827</td>
<td>9,975</td>
</tr>
<tr>
<td>Market Share</td>
<td>12.3 %</td>
<td>16.2 %</td>
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<tr>
<td>Capture</td>
<td>1,129</td>
<td>1,571</td>
<td>1,649</td>
<td>1,674</td>
</tr>
<tr>
<td>Penetration</td>
<td>111 %</td>
<td>115 %</td>
<td>119 %</td>
<td>119 %</td>
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<tr>
<td><strong>Leisure</strong></td>
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<tr>
<td>Demand</td>
<td>28,737</td>
<td>30,721</td>
<td>31,414</td>
<td>32,127</td>
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<td>Market Share</td>
<td>9.1 %</td>
<td>13.0 %</td>
<td>14.2 %</td>
<td>14.2 %</td>
</tr>
<tr>
<td>Capture</td>
<td>2,612</td>
<td>3,990</td>
<td>4,469</td>
<td>4,571</td>
</tr>
<tr>
<td>Penetration</td>
<td>82 %</td>
<td>92 %</td>
<td>101 %</td>
<td>101 %</td>
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<tr>
<td><strong>Total Room Nights Captured</strong></td>
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<td>13,774</td>
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<td><strong>Subject Occupancy</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>53 %</td>
<td>57 %</td>
<td>62 %</td>
<td>63 %</td>
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<td>Market-wide Available Room Nights</td>
<td>149,451</td>
<td>154,851</td>
<td>154,851</td>
<td>154,851</td>
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<tr>
<td><strong>Fair Share</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>11 %</td>
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<td>14 %</td>
<td>14 %</td>
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<tr>
<td>%</td>
<td>10 %</td>
<td>14 %</td>
<td>15 %</td>
<td>15 %</td>
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<td><strong>Market-wide Occupancy</strong></td>
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<tr>
<td>%</td>
<td>57 %</td>
<td>58 %</td>
<td>59 %</td>
<td>61 %</td>
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<tr>
<td><strong>Total Penetration</strong></td>
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<tr>
<td>%</td>
<td>92 %</td>
<td>98 %</td>
<td>104 %</td>
<td>104 %</td>
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FIGURE 1-5  SCENARIO 1 ADR FORECAST – PROPOSED SUBJECT HOTEL ON ELIZABETH STREET

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</tr>
<tr>
<td>Average Rate Growth</td>
<td>—</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
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<tr>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>Rooms Revenue</td>
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<td>—</td>
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<td>$957,179</td>
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<tr>
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<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Captured Room Nights</td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,129</td>
<td>1,571</td>
<td>1,649</td>
</tr>
<tr>
<td>Rooms Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$142,311</td>
<td>$201,885</td>
<td>$216,259</td>
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<td>$98.40</td>
<td>$113.16</td>
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<td>$123.55</td>
<td>$126.02</td>
<td>$128.54</td>
<td>$131.11</td>
<td>$133.73</td>
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<td><strong>Leisure</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate Growth</td>
<td>—</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Captured Room Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<td>3,990</td>
</tr>
<tr>
<td>Rooms Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$382,670</td>
<td>$596,332</td>
<td>$681,257</td>
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<td>$131.56</td>
<td>$139.45</td>
<td>$143.64</td>
<td>$146.51</td>
<td>$149.44</td>
<td>$152.43</td>
<td>$155.48</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate Growth</td>
<td>—</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>1.7 %</td>
<td>2.2 %</td>
<td>2.1 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Captured Room Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>8,688</td>
<td>12,448</td>
<td>13,471</td>
</tr>
<tr>
<td>Rooms Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$1,199,047</td>
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<td>$1,939,844</td>
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<td>$108.09</td>
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<td>$135.71</td>
<td>$138.01</td>
<td>$141.02</td>
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<td>$146.89</td>
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<tr>
<td>Average Rate Penetration</td>
<td>101.8 %</td>
<td>101.8 %</td>
<td>101.8 %</td>
<td>101.8 %</td>
<td>101.8 %</td>
<td>101.7 %</td>
<td>101.7 %</td>
<td>101.8 %</td>
<td>101.8 %</td>
</tr>
<tr>
<td>Market-wide ADR Growth</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
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<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
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<td>$138.69</td>
<td>$141.47</td>
<td>$144.29</td>
<td>$146.00</td>
</tr>
</tbody>
</table>

Scenario 2: Highway Site

Based on our analysis presented in the “Projection of Occupancy and Average Rate” chapter, we have chosen to use a stabilized occupancy level of 69% and a base-year rate position of $134.98 for the proposed subject hotel under Scenario 2, which assumes that the proposed subject hotel is located at an unspecified highway location in Brighton, Ontario. The following table summarizes our occupancy and average room rate projections for the proposed subject hotel and the market under Scenario 2.
FIGURE 1-6  SCENARIO 2 OCCUPANCY FORECAST – PROPOSED SUBJECT HOTEL

<table>
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<tr>
<th>Market Segment</th>
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<th>2027</th>
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<td><strong>Commercial</strong></td>
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</tr>
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<td>Demand</td>
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<td>50,941</td>
<td>52,119</td>
<td>53,332</td>
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<td>17.1 %</td>
<td>17.1 %</td>
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<td>Capture</td>
<td>6,146</td>
<td>8,455</td>
<td>8,937</td>
<td>9,145</td>
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<tr>
<td>Penetration</td>
<td>114 %</td>
<td>117 %</td>
<td>121 %</td>
<td>121 %</td>
</tr>
<tr>
<td><strong>Meeting and Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>9,206</td>
<td>9,672</td>
<td>9,818</td>
<td>9,966</td>
</tr>
<tr>
<td>Market Share</td>
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<td>15.3 %</td>
<td>15.8 %</td>
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<tr>
<td>Capture</td>
<td>1,055</td>
<td>1,475</td>
<td>1,555</td>
<td>1,578</td>
</tr>
<tr>
<td>Penetration</td>
<td>104 %</td>
<td>108 %</td>
<td>112 %</td>
<td>112 %</td>
</tr>
<tr>
<td><strong>Leisure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>28,251</td>
<td>30,032</td>
<td>30,728</td>
<td>31,445</td>
</tr>
<tr>
<td>Market Share</td>
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<td>13.4 %</td>
<td>14.6 %</td>
<td>14.6 %</td>
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<td>Capture</td>
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<td>4,016</td>
<td>4,478</td>
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<td>95 %</td>
<td>103 %</td>
<td>103 %</td>
</tr>
<tr>
<td><strong>Total Room Nights Captured</strong></td>
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<tr>
<td><strong>Subject Occupancy</strong></td>
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<td>64 %</td>
<td>68 %</td>
<td>70 %</td>
</tr>
<tr>
<td>Market-wide Available Room Nights</td>
<td>149,451</td>
<td>154,851</td>
<td>154,851</td>
<td>154,851</td>
</tr>
<tr>
<td>Fair Share</td>
<td>11 %</td>
<td>14 %</td>
<td>14 %</td>
<td>14 %</td>
</tr>
<tr>
<td>Market-wide Occupied Room Nights</td>
<td>86,303</td>
<td>90,645</td>
<td>92,665</td>
<td>94,743</td>
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<tr>
<td><strong>Market Share</strong></td>
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<td>16 %</td>
<td>16 %</td>
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<tr>
<td><strong>Market-wide Occupancy</strong></td>
<td>58 %</td>
<td>59 %</td>
<td>60 %</td>
<td>61 %</td>
</tr>
<tr>
<td><strong>Total Penetration</strong></td>
<td>104 %</td>
<td>109 %</td>
<td>114 %</td>
<td>114 %</td>
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</table>
### Executive Summary

**Proposed Hotel Brighton** – Brighton, Ontario

### Figure 1-7: Scenario 2 ADR Forecast – Proposed Subject Hotel in Highway Location

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate Growth</td>
<td>—</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Captured Room Nights</td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<td>—</td>
</tr>
<tr>
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<td>—</td>
<td>—</td>
<td>—</td>
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<td>$129.70</td>
<td>$133.59</td>
<td>$136.26</td>
<td>$138.99</td>
<td>$141.77</td>
<td>$144.60</td>
</tr>
<tr>
<td><strong>Meeting and Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate Growth</td>
<td>—</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Captured Room Nights</td>
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<td>—</td>
<td>1,055</td>
<td>1,475</td>
<td>1,555</td>
<td>1,578</td>
</tr>
<tr>
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<td>—</td>
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<td>$128.54</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate Growth</td>
<td>—</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Captured Room Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2,662</td>
<td>4,016</td>
<td>4,478</td>
<td>4,583</td>
</tr>
<tr>
<td>Rooms Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$390,070</td>
<td>$600,088</td>
<td>$682,595</td>
<td>$712,483</td>
</tr>
<tr>
<td>Average Rate</td>
<td>$143.00</td>
<td>$114.40</td>
<td>$131.56</td>
<td>$139.45</td>
<td>$143.64</td>
<td>$146.51</td>
<td>$149.44</td>
<td>$152.43</td>
<td>$155.48</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate Growth</td>
<td>—</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>1.7 %</td>
<td>2.1 %</td>
<td>2.1 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Captured Room Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>9,863</td>
<td>13,946</td>
<td>14,970</td>
<td>15,306</td>
</tr>
<tr>
<td>Rooms Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$1,360,495</td>
<td>$1,964,838</td>
<td>$2,153,417</td>
<td>$2,245,954</td>
</tr>
<tr>
<td>Average Rate</td>
<td>$134.98</td>
<td>$107.98</td>
<td>$124.18</td>
<td>$131.63</td>
<td>$135.57</td>
<td>$137.93</td>
<td>$140.89</td>
<td>$143.85</td>
<td>$146.74</td>
</tr>
<tr>
<td>Average Rate Penetration</td>
<td>101.7 %</td>
<td>101.7 %</td>
<td>101.7 %</td>
<td>101.7 %</td>
<td>101.7 %</td>
<td>101.4 %</td>
<td>101.6 %</td>
<td>101.7 %</td>
<td>101.7 %</td>
</tr>
<tr>
<td>Market-wide ADR Growth</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>Market-wide ADR</td>
<td>$132.71</td>
<td>$106.17</td>
<td>$122.10</td>
<td>$129.42</td>
<td>$133.31</td>
<td>$135.97</td>
<td>$138.69</td>
<td>$141.47</td>
<td>$144.29</td>
</tr>
</tbody>
</table>

**Scenario 3: Waterfront Site**

Based on our analysis presented in the “Projection of Occupancy and Average Rate” chapter, we have chosen to use a stabilized occupancy level of 66% and a base-year rate position of $137.97 for the proposed subject hotel under Scenario 3, which assumes that the proposed subject hotel is located at an unspecified waterfront location in Brighton, Ontario. The following table summarizes our occupancy and average room rate projections for the proposed subject hotel and the market under Scenario 3.
### SCENARIO 3 OCCUPANCY FORECAST – PROPOSED SUBJECT HOTEL

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Room Nights Captured</strong></td>
<td>9,427</td>
<td>13,406</td>
<td>14,413</td>
<td>14,736</td>
</tr>
<tr>
<td>Available Room Nights</td>
<td>16,500</td>
<td>21,900</td>
<td>21,900</td>
<td>21,900</td>
</tr>
<tr>
<td><strong>Subject Occupancy</strong></td>
<td>57 %</td>
<td>61 %</td>
<td>66 %</td>
<td>67 %</td>
</tr>
<tr>
<td>Market-wide Available Room Nights</td>
<td>149,451</td>
<td>154,851</td>
<td>154,851</td>
<td>154,851</td>
</tr>
<tr>
<td><strong>Fair Share</strong></td>
<td>11 %</td>
<td>14 %</td>
<td>14 %</td>
<td>14 %</td>
</tr>
<tr>
<td>Market-wide Occupied Room Nights</td>
<td>86,108</td>
<td>90,419</td>
<td>92,439</td>
<td>94,517</td>
</tr>
<tr>
<td><strong>Market Share</strong></td>
<td>11 %</td>
<td>15 %</td>
<td>16 %</td>
<td>16 %</td>
</tr>
<tr>
<td><strong>Market-wide Occupancy</strong></td>
<td>58 %</td>
<td>58 %</td>
<td>60 %</td>
<td>61 %</td>
</tr>
<tr>
<td><strong>Total Penetration</strong></td>
<td>99 %</td>
<td>105 %</td>
<td>110 %</td>
<td>110 %</td>
</tr>
</tbody>
</table>
FIGURE 1-9 SCENARIO 3 ADR FORECAST – PROPOSED SUBJECT HOTEL IN WATERFRONT LOCATION

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate</td>
<td>$133.00</td>
<td>$106.40</td>
<td>$122.36</td>
<td>$129.70</td>
<td>$133.59</td>
<td>$136.26</td>
<td>$138.99</td>
<td>$141.77</td>
<td>$144.60</td>
</tr>
<tr>
<td>Captured Room</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$654,099</td>
<td>$931,567</td>
<td>$1,016,834</td>
</tr>
<tr>
<td>Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$1,062,067</td>
<td>$1,062,067</td>
<td>$1,062,067</td>
</tr>
<tr>
<td>Average Rate</td>
<td>$123.00</td>
<td>$98.40</td>
<td>$113.16</td>
<td>$119.95</td>
<td>$123.55</td>
<td>$126.02</td>
<td>$128.54</td>
<td>$131.11</td>
<td>$133.73</td>
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<td>Captured Room</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$126,527</td>
<td>$181,240</td>
<td>$195,225</td>
</tr>
<tr>
<td>Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$202,143</td>
<td>$202,143</td>
<td>$202,143</td>
</tr>
<tr>
<td><strong>Leisure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate</td>
<td>$148.00</td>
<td>$118.40</td>
<td>$136.16</td>
<td>$144.33</td>
<td>$148.66</td>
<td>$151.63</td>
<td>$154.67</td>
<td>$157.76</td>
<td>$160.91</td>
</tr>
<tr>
<td>Captured Room</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$549,264</td>
<td>$818,660</td>
<td>$907,368</td>
</tr>
<tr>
<td>Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$946,186</td>
<td>$946,186</td>
<td>$946,186</td>
</tr>
<tr>
<td>Average Rate</td>
<td>$137.97</td>
<td>$110.37</td>
<td>$126.93</td>
<td>$134.54</td>
<td>$138.58</td>
<td>$141.08</td>
<td>$144.08</td>
<td>$147.05</td>
<td>$150.00</td>
</tr>
<tr>
<td>Average Rate</td>
<td></td>
<td>104.0 %</td>
<td></td>
<td>104.0 %</td>
<td></td>
<td>104.0 %</td>
<td></td>
<td>104.0 %</td>
<td></td>
</tr>
<tr>
<td>Penetration</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
</tr>
<tr>
<td>Market-wide ADR</td>
<td>$132.71</td>
<td>$106.17</td>
<td>$122.10</td>
<td>$129.42</td>
<td>$133.97</td>
<td>$138.69</td>
<td>$141.47</td>
<td>$144.29</td>
<td>$147.05</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rate</td>
<td>$148.00</td>
<td>$118.40</td>
<td>$136.16</td>
<td>$144.33</td>
<td>$148.66</td>
<td>$151.63</td>
<td>$154.67</td>
<td>$157.76</td>
<td>$160.91</td>
</tr>
<tr>
<td>Captured Room</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$1,329,890</td>
<td>$1,931,466</td>
<td>$2,119,428</td>
</tr>
<tr>
<td>Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$2,210,397</td>
<td>$2,210,397</td>
<td>$2,210,397</td>
</tr>
<tr>
<td>Average Rate</td>
<td>$137.97</td>
<td>$110.37</td>
<td>$126.93</td>
<td>$134.54</td>
<td>$138.58</td>
<td>$141.08</td>
<td>$144.08</td>
<td>$147.05</td>
<td>$150.00</td>
</tr>
<tr>
<td>Average Rate</td>
<td></td>
<td>104.0 %</td>
<td></td>
<td>104.0 %</td>
<td></td>
<td>104.0 %</td>
<td></td>
<td>104.0 %</td>
<td></td>
</tr>
<tr>
<td>Penetration</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
<td>104.0 %</td>
</tr>
<tr>
<td>Market-wide ADR</td>
<td>$132.71</td>
<td>$106.17</td>
<td>$122.10</td>
<td>$129.42</td>
<td>$133.97</td>
<td>$138.69</td>
<td>$141.47</td>
<td>$144.29</td>
<td>$147.05</td>
</tr>
</tbody>
</table>

**Scope of Work**

The methodology used to develop this study is based on the market research and valuation techniques set forth in the textbooks authored by HVS for the American Institute of Real Estate Appraisers and the Appraisal Institute: *The Valuation of Hotels and Motels*, 1 *Hotels, Motels and Restaurants: Valuations and Market Studies*, 2 *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*, 3 *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*, 4 and *Hotels and Motels – Valuations and Market Studies*. 5

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1. All information was collected and analyzed by the staff of MM&R Valuation Services, Inc./Double R Consulting & Valuation Inc. Information was supplied by the client and/or the property’s development team.

2. The subject site has been evaluated from the viewpoint of its physical utility for the future operation of a hotel, as well as access, visibility, and other relevant factors.

3. The proposed improvements have been reviewed for their expected quality of construction, design, and layout efficiency.

4. The surrounding economic environment, on both an area and neighbourhood level, has been reviewed to identify specific hotel-related economic and demographic trends that may have an impact on future demand for hotels.

5. Dividing the market for hotel accommodations into individual segments defines specific market characteristics for the types of travellers expected to use the area’s hotels. The factors investigated include purpose of visit, average length of stay, facilities and amenities required, seasonality, daily demand fluctuations, and price sensitivity.

6. An analysis of existing and proposed competition provides an indication of the current accommodated demand, along with market penetration and the degree of competitiveness. Unless noted otherwise, we have inspected the competitive lodging facilities summarized in this report.

7. Documentation for an occupancy and average rate projection is derived using the build-up approach based on an analysis of lodging activity.
2. Description of the Site and Neighbourhood

The suitability of the land for the operation of a lodging facility is an important consideration, as it affects a property's economic viability and ultimate marketability. Size, topography, access, visibility, and the availability of utilities are factors that have a direct impact on the desirability of a particular site.

The subject site is located on Elizabeth Street in Brighton, Ontario. In addition to this site, we analyzed the potential occupancy and rate performance of the proposed subject hotel for two other potential locations that could be developed with a midscale/upper-midscale limited-service lodging facility. One of these sites is assumed to be located on a highway, and the other is assumed to be on the waterfront; however, no specific site has been identified aside from the site located on Elizabeth Street. Since a specific site has not been identified for either the highway location or the waterfront location, this section of the report is concerned solely with the subject site on Elizabeth Street in Brighton, Ontario.

The subject hotel site on Elizabeth Street will measure approximately 1.50 acres (65,250 square feet). This site needs to be severed from a larger ±18.57-acre development site. The uses adjacent to the larger parcel are set forth in the following table.

<table>
<thead>
<tr>
<th>Direction</th>
<th>Adjacent Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>Elizabeth Street, Vacant Land</td>
</tr>
<tr>
<td>South</td>
<td>Vacant Land</td>
</tr>
<tr>
<td>East</td>
<td>Commercial Developments</td>
</tr>
<tr>
<td>West</td>
<td>Vacant Land</td>
</tr>
</tbody>
</table>

The neighbourhood that surrounds the subject site is generally defined by Smith Street to the north, Boes Road to the east, Highway 64 to the south, and Prince Edward Street to the west.
The subject site is generally flat and of a shape that should allow for the efficient layout of the proposed building and site improvements, including points of ingress and egress. Upon completion of the development project, the 1.50-acre subject site will not contain any significant portion of undeveloped land that could be sold, entitled, or developed for an alternative use; it is expected to be fully developed with the building and site improvements that contribute to the overall profitability of the hotel. The remaining ±17 acres of the larger development site will be available for development after the hotel site is severed.
AERIAL PHOTOGRAPH OF SUBJECT SITE AND SURROUNDINGS

Approximate Location of Subject Hotel Site on Elizabeth Street
Description of the Site and Neighbourhood
Proposed Hotel Brighton – Brighton, Ontario

July 17, 2020

VIEW FROM SITE TO THE NORTH

VIEW FROM SITE TO THE SOUTH

VIEW FROM SITE TO THE EAST

VIEW FROM SITE TO THE WEST
Access and Visibility

It is important to analyze the site in regard to ease of access with respect to regional and local transportation routes and demand generators. The subject site is readily accessible from a variety of local roads and highways.

MAP OF REGIONAL ACCESS ROUTES

Brighton is located along Highway 401 at Exit 509 South (County Road 30). It is also accessible from Highway 2 from the East and West, and County Road 64. Elizabeth Street will provide primary vehicular access to the subject site, and is relatively simple to locate from Highway 401, the closest major thoroughfare. The proposed subject hotel is expected to have adequate signage at the street and on the façade. Overall, the subject site on Elizabeth Street has good accessibility, and the proposed subject hotel would enjoy good visibility from within the neighbourhood in this location.

Airport Access

The proposed subject hotel will be served by Toronto Pearson International Airport, which is approximately 183 kilometres southwest of the subject site. Canada’s largest air base, 8 Wing CFB Trenton, is in Quinte West, approximately 19 kilometres from the subject site; this facility is available for commercial passenger and cargo flights by prior arrangement with the Department of National Defence.
MacDonald-Cartier International Airport in Ottawa and Pierre Elliot Trudeau International Airport in Montreal are also within driving distance of Brighton. In addition, Norman Rogers Airport in Kingston is a 50-minute drive east of Brighton. Belleville is located approximately 32 kilometres north-east of Brighton, via Ontario County Highway 2 West. This airport provides regular commercial flights to and from Toronto Pearson International Airport, in addition to offering private, charter, and cargo aircraft flight services.

**Rail Access**

The Bay of Quinte region is a major rail terminus for Canada’s two market-dominant railway companies, Canadian National (CN) and Canadian Pacific (CP), which run their main Toronto–Montreal freight lines through the area. Both railways provide freight and express service to the region, including overnight express service to Toronto and Montreal, as well as intermediate points. In addition, Via Rail Canada offers regular passenger service to Toronto, Montreal, and Ottawa. Belleville is VIAs 10th-busiest station and VIA Rail Canada has a station in Trenton.

**Neighbourhood**

The surrounding neighbourhood often has an impact on a hotel’s status, image, class, and style of operation, and it sometimes affects a hotel’s ability to attract and properly serve a particular market segment. This section of the report investigates the subject neighbourhood and evaluates any pertinent locational factors that could affect the proposed subject hotel’s future occupancy, average rate, and overall profitability.

The neighbourhood that surrounds the subject site is generally defined by Smith Street to the north, Boes Road to the east, Highway 64 to the south, and Prince Edward Street to the west. The neighbourhood is characterized by the presence of restaurants, office buildings, and retail shopping centres along the primary thoroughfares and residential areas along the secondary roadways. The businesses and entities in the area include the King Edward Arena; the King Edward Arena, which features a single ice pad, is open all year long, and the ice season runs from late August until the last full weekend in March. Lacrosse and ball hockey are played over the concrete floor, which is available to rent for events from mid-April to the Civic Holiday in August, during the spring and summer months. The King Edward Park Community Centre also hosts many different functions and community groups throughout the year; this facility is located beside the arena. The hall can be divided into two sections if required, and it has a full kitchen and an audio and video system. It is a popular site for wedding receptions and family gatherings. There are two main ball diamonds in the municipality, and they are both located at King Edward Park. King Edward Park also has a skateboard park, a splash pad, a soccer field, and the tennis courts of the Brighton Tennis Club. Other businesses and entities in the area include the Brighton & District Curling Club, the Applefest Lodge, Brighton Public School, an LCBO, Sobeys Brighton, a Beer Store, the Proctor House Museum, the Proctor Conservation Area, First Place Trailers, and Powersports. Presqu’ile
Provincial Park is located 6.0 kilometres southwest of the subject site located on Elizabeth Street. There are no hotels in the vicinity in Brighton. The restaurants located near the subject site include a Tim Hortons, The Smokehouse Eatery & Pub, Vito’s Pizzeria Restaurant & Dining Lounge, China King, and a Subway; the proximity of these restaurants is considered supportive of the operation of a limited-service lodging facility.

**Utilities**

The subject site will reportedly be served by all the necessary utilities.
Geological and soil reports were not provided to us or made available for our review during the preparation of this report. We are not qualified to evaluate soil conditions other than by a visual inspection of the surface; no extraordinary conditions were apparent.

We were not informed of any site-specific nuisances or hazards, and there were no visible signs of toxic ground contaminants at the time of our inspection. Because we are not experts in this field, we do not warrant the absence of hazardous waste. We urge the reader to obtain an independent analysis of these factors.

According to the Municipality of Brighton, the subject site located on Elizabeth Street is not located in a flood zone.

According to the local planning office, the subject property is commercially zone. Zoning details are summarized below.

<table>
<thead>
<tr>
<th>Municipality Governing Zoning</th>
<th>Municipality of Brighton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Zoning</td>
<td>Commercial</td>
</tr>
<tr>
<td>Current Use</td>
<td>Vacant</td>
</tr>
<tr>
<td>Is Current Use Permitted?</td>
<td>Yes</td>
</tr>
<tr>
<td>Is Change in Zoning Likely?</td>
<td>No</td>
</tr>
<tr>
<td>Permitted Uses</td>
<td>Hotel, Motel, Banquet Hall, Restaurant, Retail Store, and Various Other Uses</td>
</tr>
<tr>
<td>Hotel Allowed</td>
<td>Yes</td>
</tr>
<tr>
<td>Legally Non-Conforming</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

We assume that all the necessary permits and approvals will be secured (including the appropriate liquor licence if applicable) and that the proposed subject property will be constructed in accordance with local zoning ordinances, building codes, and all other applicable regulations. This zoning information should be verified before any physical changes are made to the site.

A copy of the subject property's legal description is provided in the addenda to this report. We are not experts at interpreting legal descriptions. The description appears to be accurate; however, we suggest that verification of this description be obtained from a qualified expert.
We are not aware of any easements attached to the property that would significantly affect the utility of the site or the marketability of this project.

We have analyzed the issues of size, topography, access, visibility, and the availability of utilities. The subject site on Elizabeth Street is favourably located south of Highway 401. In general, the subject site is well suited to future hotel use. The access, the visibility, and the topography are conducive to the effective operation of a lodging facility.
3. Market Area Analysis

The economic vitality of the market area and the neighbourhood surrounding the subject site is an important consideration in forecasting lodging demand and future income potential. Economic and demographic trends that reflect the amount of visitation provide a basis from which to project lodging demand. The purpose of the market area analysis is to review available economic and demographic data to determine whether the local market will experience economic growth, stability, or decline. In addition to predicting the direction of the economy, the rate of change must be quantified. These trends are then correlated based on their propensity to reflect variations in lodging demand with the objective of forecasting the amount of growth or decline in visitation by individual market segment (e.g., commercial, meeting and group, and leisure).

Market Area Definition

The market area for a lodging facility is the geographic region where the sources of demand and the competitive supply are located. The subject site is located in the town of Brighton and the province of Ontario.

The town of Brighton is in Northumberland County, approximately 150 kilometres east of Toronto and 100 kilometres west of Kingston. Northumberland is just an hour’s drive east of Toronto and on the Highway of Heroes (Highway 401). It is also accessible by Highway 2. The west end of the Murray Canal, which leads east to the Bay of Quinte, is at the east end of the town. Brighton is within the Quinte Region, which is home to several other communities situated along the Bay of Quinte in Eastern Ontario, including Belleville, Trenton, Napanee, and Picton.

The Bay of Quinte is less than a day’s drive to Central Canada’s major market centres and more than 50% of all North American industrial markets. The Bay of Quinte is strategically positioned off Highway 401, the major transportation route for all of Southern Ontario. The closest city to Brighton is Belleville, which is also located on Highway 401, allowing for easy access to major markets, including Toronto (170 kilometres to the southwest) and Montreal (340 kilometres to the northeast). Belleville features a diverse industrial base and serves as a manufacturing, distribution, and transportation centre for Southeasternt Ontario. Belleville has a diverse economy with companies engaged in such areas as plastic packaging, food processing, warehousing and distribution, contact centres, pharmaceuticals, and automotive parts.
On March 23, 2020, Quinte West declared a State of Emergency in response to the COVID-19 pandemic. This declaration went hand in hand with the Province's measures to contain the spread of COVID-19. The Apple Blossom Tyme Festival in nearby Colborne, which was to have taken place on May 30 and 31, was cancelled. Brighton and all of the Northumberland County joined most of Ontario in entering Stage 3 of re-opening on July 17, 2020.
The following table summarizes historical and forecasted economic indicators for Ontario and Canada.

The following key assumptions inform the projections developed by the Conference Board of Canada.

The forecasts are preliminary because they were developed based on the limited information regarding the impact of the COVID-19 pandemic that was available in early April 2020. There is significant uncertainty in the current environment as to the duration and impact of COVID-19, and the forecasts should be considered from this perspective.
Ontario Overview

Ontario, the most populous province in Canada, is home to more than 14.5 million people—one in three Canadians. The province is highly industrialized and largely urban; more than 85% of Ontarians live in urban centres, largely in cities on the shores of the Great Lakes. Ontario enjoys a diversified economy. Today, however, more people in Ontario are employed in service industries than in manufacturing, which was once the province’s bread and butter. Ontario generates 37% of the national GDP and is home to almost 50% of all employees engaged in high-tech, financial services, and other knowledge-intensive industries. Service-producing industries represent the major part of Ontario’s economy, but some goods-producing industries, such as construction and manufacturing, also play a role in the overall economy of the province.

Ontario’s economy was robust in 2017 and 2018, but the rate of growth moderated significantly in 2019. Real GDP growth slowed from 2.2% in 2018 to 1.4% in 2019. Ontario’s labour market performed remarkably well in 2019 with the addition of more than 200,000 net new jobs, which represents a 2.7% increase. With the economic fallout from the COVID-19 pandemic, real GDP in Ontario is projected to decline by 3.2% in 2020. Next year, however, economic growth is projected to rebound with an increase of 6.0%.

Total real investment spending in Ontario increased by 3.6% in 2018, but a decline was registered in 2019. The drop in investment was largely due to weakness in residential construction, which represents the largest component of total investment in the province. Government measures to cool housing markets that were implemented in 2018 are the main reason for the slowdown in investment. The provincial government has implemented a tax on foreign property buyers to cool the housing market in the Greater Toronto Area, and the federal government tightened mortgage requirements to achieve the same effect.
The Framework for Re-opening Ontario in Response to COVID-19

The provincial government plans to re-open Ontario businesses and public spaces in stages. The plan is based on the advice of the Chief Medical Officer of Health. Each stage will last for approximately two to four weeks to allow for close monitoring of any impacts or a potential resurgence of cases. This ongoing, gradual assessment of public health measures will continue until the post-pandemic period when a vaccine or treatment for COVID-19 is available. In Stage 1, select workplaces are allowed to open, and some small gatherings are permitted. Stage 2 involves opening more workplaces and outdoor spaces and allowing some larger gatherings. Stage 3 entails a further relaxation on the restrictions on public gatherings and the opening all workplaces responsibly. Most of Ontario entered Stage 3 on July 17, 2020.

THE FRAMEWORK OF RE-OPENING THE PROVINCE OF ONTARIO

Ontario will gradually reopen all workplaces and public spaces.

- Stage 1: Open select workplaces, allow some small gatherings.
- Stage 2: Open more workplaces and outdoor spaces, allow some larger gatherings.
- Stage 3: Further relax the restrictions on public gatherings, opening all workplaces responsibly.

Continued protections for vulnerable populations and continued practice of physical distancing, hand washing, respiratory hygiene and significant mitigation plans to limit health risks.
National Overview
At the start of 2020, the outlook for the national economy was cautiously optimistic even with rising household indebtedness, uncertainties in the outlook for business investment, and the still-challenged energy sector. The advent of the COVID-19 crisis, however, has knocked the country into a recession. Consumer spending, which has been a key driver of growth for the national economy, will contract in 2020 because the pandemic has shut down businesses and created mass unemployment. Travel restrictions have shocked the airline industry, and the 2020 cruise season has been halted. The social distancing mandate to curb the spread of the virus has caused mass layoffs in some sectors. For the week of March 16 to 22, nearly 1 million unemployment insurance claims were filed—this represents nearly 5.0% of the country’s total employed workforce. More jobs were lost in a single week in this country than in the worst month on record. The Conference Board of Canada estimates that the real GDP declined at an annualized pace of nearly 5% in the first quarter. In the second quarter, the decline in GDP is projected to hit 25%. This will be the steepest quarterly decline in economic output since 1961 when modern recordkeeping was implemented. In addition, the collapse of oil prices is amplifying economic hardship in the energy-producing provinces.

On March 4, the Bank of Canada cut its key policy rate by 50 basis points in hope of mitigating the impacts of COVID-19. Against this backdrop, the OPEC cartel and Russia attempted to negotiate oil production limits in light of the weaker global demand on the horizon. Talks broke off, and Saudi Arabia and Russia removed previously self-imposed production limits, causing oil prices to collapse. These parallel events sent stock markets around the globe reeling, and on the following Monday, March 9, a selloff began. By week’s end, most global markets had entered bear territory, which is officially marked by a decline of more than 20% from the peak, wiping out trillions of dollars in wealth from the global economy in the process. In response, the Bank of Canada, mirroring the actions of other central banks, again lowered its key policy rate on March 16, this time by 50 basis points. With the ongoing volatility in debt and equity markets, the key rate was lowered by 50 more basis points on March 27 to the lowest level of the past two decades. The bank, in tandem with the Government of Canada, also initiated a largescale quantitative easing program. In April, OPEC+ countries reached a détente, although it has done little to prop up North American oil prices because demand has collapsed. Investment markets have regained some ground; debt markets remain challenged, but stock markets have recovered significantly.

This unprecedented economic crisis has disrupted supply chains, halted most international travel, and thrown into question the viability of businesses once considered stalwarts of industry. Every level of government has introduced mitigation efforts and availed resources to employers and newly unemployed people. Domestically, the eventual impact is hard to quantify because of the ever-
Shifting changes in the spread of the virus and the mitigation measures that companies and governments are implementing. Revisions to forecasts are being made and remade and in the current context have a high degree of uncertainty. Nevertheless, there is consensus that the crisis is unprecedented and that it will have a significant adverse effect on the domestic economy. Some industries will be harder hit than others, and unemployment will climb to new highs. Beyond the current pandemic, select economies, particularly those driven by the energy sector, will face additional headwinds that will act as a drag on recovery.

Regional performance differences, defined in part by degree of reliance on the energy sector, will play out this year and in the years ahead. Oil producers will be hard hit by current events, and those based in Western Canada continue to face transportation bottlenecks because of pipeline-capacity constraints and limited access to international markets other than the US. Major projects are expected to progress, including LNG Canada and related upstream infrastructure projects, as well as other projects on a case-by-case basis. Nevertheless, the volatility is expected to cause a significant decline in capital investment for the energy sector.

As recovery gets underway, Canada stands to benefit from being a G7 country that is a safe haven for international capital. The weak Canadian dollar could make international visitation recover more quickly, and the heated US presidential election in 2020 could indirectly serve as an endorsement for Canada as a welcoming country. Nevertheless, the tensions with China, the uncertainty of Brexit, and the rise of protectionism around the world will create challenges for the manufacturing and export sectors and undermine business and consumer confidence. On a positive note, the new CUSMA trade deal will help mitigate some of the lost business confidence, and it could spur investment in manufacturing and transportation once the economy has an established growth track.

Overall, the outlook is highly pessimistic for 2020; however, the overall attractiveness of Canada for international investment remains elevated, and efforts at all levels of government to expand the economy and resume business as quickly as possible bode well for long-term growth. The mitigation measures by the Bank of Canada and all levels of government will have a positive effect on markets once sentiment become less volatile, which will likely come with more certainty regarding the abatement of the ongoing pandemic. Although current events are likely to reverberate in the economy for years to come, Canada is well positioned for the recovery once the pandemic is over.
Demographic Review

Based on the fieldwork that we conducted in the area and our in-house sources, we have evaluated various economic and demographic statistics to determine trends in lodging demand. Polaris Intelligence and the Conference Board of Canada are the primary sources for the economic and demographic statistics used in this analysis. The data from the Conference Board of Canada for Ontario and Canada reflect projections made in early 2020 before the COVID-19 pandemic had made a significant impact in North America.

**FIGURE 3-2 DEMOGRAPHIC INDICATORS – ONTARIO VS. CANADA (PRE-COVID FORECASTS)**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Population (000's)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>36,489</td>
<td>36,994</td>
<td>37,527</td>
<td>38,012</td>
<td>38,376</td>
<td>38,568</td>
<td>39,314</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>—</td>
<td>1.4 %</td>
<td>1.3 %</td>
<td>1.0 %</td>
<td>0.5 %</td>
<td>1.0 %</td>
<td>1.0 %</td>
<td></td>
<td>1.1 %</td>
</tr>
<tr>
<td>Ontario</td>
<td>14,051</td>
<td>14,289</td>
<td>14,526</td>
<td>14,712</td>
<td>14,879</td>
<td>15,048</td>
<td>15,220</td>
<td>15,394</td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>—</td>
<td>1.7 %</td>
<td>1.3 %</td>
<td>1.1 %</td>
<td>1.1 %</td>
<td>1.1 %</td>
<td>1.1 %</td>
<td></td>
<td>1.3 %</td>
</tr>
<tr>
<td>Retail Sales ($ Millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>588,828</td>
<td>605,934</td>
<td>617,089</td>
<td>634,756</td>
<td>653,807</td>
<td>674,012</td>
<td>694,008</td>
<td>714,489</td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>—</td>
<td>2.9 %</td>
<td>2.9 %</td>
<td>3.0 %</td>
<td>3.1 %</td>
<td>3.0 %</td>
<td>3.0 %</td>
<td></td>
<td>2.8 %</td>
</tr>
<tr>
<td>Ontario</td>
<td>216,318</td>
<td>225,847</td>
<td>232,369</td>
<td>240,460</td>
<td>248,186</td>
<td>254,465</td>
<td>262,599</td>
<td>270,624</td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>—</td>
<td>4.4 %</td>
<td>3.5 %</td>
<td>3.2 %</td>
<td>2.5 %</td>
<td>3.2 %</td>
<td>3.1 %</td>
<td></td>
<td>3.3 %</td>
</tr>
<tr>
<td>Personal Income ($ Per Capita)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>47,133</td>
<td>48,378</td>
<td>49,744</td>
<td>51,325</td>
<td>52,827</td>
<td>54,377</td>
<td>55,989</td>
<td>57,579</td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>—</td>
<td>2.6 %</td>
<td>3.2 %</td>
<td>2.9 %</td>
<td>2.9 %</td>
<td>3.0 %</td>
<td>3.0 %</td>
<td></td>
<td>2.9 %</td>
</tr>
<tr>
<td>Ontario</td>
<td>47,250</td>
<td>48,738</td>
<td>49,916</td>
<td>51,291</td>
<td>52,720</td>
<td>54,169</td>
<td>55,734</td>
<td>57,263</td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>—</td>
<td>3.1 %</td>
<td>2.8 %</td>
<td>2.8 %</td>
<td>2.7 %</td>
<td>2.9 %</td>
<td>2.7 %</td>
<td></td>
<td>2.8 %</td>
</tr>
</tbody>
</table>

**Source:** The Conference Board of Canada – National developed March 16, 2020; Provincial developed February 12, 2020

**Population**

There is no direct correlation between an area’s population size and level of transient visitation, but population changes reflect business activity and lodging demand. Reviewing an area’s past and projected population trends and composition is an important step in evaluating the local economic climate and projecting growth in hotel demand. A growing population suggests an increasing commercial base and growth in hotel demand from relocations. An increase in the local resident base also means more leisure travellers arriving in the area because visiting friends and relatives is the motivation for many trips. The rate of population growth will generally establish a minimum rate of increase in the lodging demand of an area.

In 2019, the population of Brighton was 12,936. The population is projected to reach 13,939 in 2024, representing compound annual growth of 1.5%, which is lower than the projected rate of growth for the population of Ontario over the same period.
Average Household Income

Household income trends reflect the spending ability of local residents. As per National Income & Product Accounts procedures, average household income is the sum of earned income (wages, salaries, other labour income, and proprietor's income), non-earned income, and residence adjustments for each income earner in a household, minus personal contributions to social insurance.

According to Polaris Intelligence, the average household income of Brighton was $92,268 in 2019, below the Ontario average of $106,649 for the same year.

Retail Sales

Retail sales levels reflect both population trends and the propensity to spend money on retail goods. There is no direct correlation between retail sales and hotel demand, but retail sales trends tend to reflect the economic health and vitality of a market. Retail sales growth should cause local businesses to prosper and make it more likely for new firms to enter the market, thereby causing an increase in demand for lodging facilities. In areas where tourism is a significant economic factor, retail sales also reflect the amount of visitation.

According to the Conference Board of Canada, retail sales in Canada fell 26.4% in April compared to the previous month, and they have fallen by one-third since February. For the first time in nearly three decades, sales declined in all 11 subsectors. The largest declines were at clothing stores (down 69.5%) and furniture stores (down 50.6%). After surging in March, sales at food and beverage stores fell 12.7%; households stockpiled food in March, but much of the panic buying subsided in April. Sales fell in all ten provinces, with Ontario and Quebec posting the largest declines. The pandemic has caused many Canadian households to purchase goods online rather than in-store. E-commerce sales increased by 38.2% in March and by an additional 56.0% in April.

The worst period for retail sales is likely now over. For most of Canada, restrictions eased this spring, allowing many retailers to begin operating again. Preliminary estimates from Statistics Canada indicate that retail sales increased by approximately 20% in May. Despite this turnaround, activity is not expected to return to pre-pandemic levels until 2021. Many sectors—such as accommodations, food services, and air transportation—will not fully recover from the crisis until well after a vaccine for COVID-19 is available globally, something that is not expected to happen this year.
Workforce Characteristics

The characteristics of an area's workforce provide an indication of the type and amount of transient visitation that local businesses are likely to generate. The finance, insurance, and real estate (FIRE) sector, wholesale trade, and services produce a considerable number of visitors who are not particularly rate sensitive. The government sector often generates transient room nights, but per-diem reimbursement allowances often limit the accommodations selected to budget and mid-priced lodging facilities. Contributions from manufacturing, construction, and transportation, communications, and public utilities (TCPU) employers can also be important, depending on the company type.

The following table sets forth the workforce distribution by business sector for Brighton in comparison to Ontario.

**FIGURE 3-3 WORKFORCE DISTRIBUTION BY BUSINESS SECTOR – BRIGHTON VS. ONTARIO**

<table>
<thead>
<tr>
<th>Sectors of Employment</th>
<th>Brighton Employed</th>
<th>Percentage of Workforce</th>
<th>Ontario Employed</th>
<th>Percentage of Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Service</td>
<td>1,278</td>
<td>21.8 %</td>
<td>1,730,915</td>
<td>22.6 %</td>
</tr>
<tr>
<td>Trades, Transport, and Equipment Operation</td>
<td>1,129</td>
<td>19.3</td>
<td>985,586</td>
<td>12.8</td>
</tr>
<tr>
<td>Social Science, Education, Government Service, and Religion</td>
<td>796</td>
<td>13.6</td>
<td>888,869</td>
<td>11.6</td>
</tr>
<tr>
<td>Business, Finance, and Administration</td>
<td>586</td>
<td>10.0</td>
<td>1,197,440</td>
<td>15.6</td>
</tr>
<tr>
<td>Management</td>
<td>569</td>
<td>9.7</td>
<td>845,884</td>
<td>11.0</td>
</tr>
<tr>
<td>Processing, Manufacturing, and Utilities</td>
<td>487</td>
<td>8.3</td>
<td>393,006</td>
<td>5.1</td>
</tr>
<tr>
<td>Health</td>
<td>316</td>
<td>5.4</td>
<td>482,814</td>
<td>6.3</td>
</tr>
<tr>
<td>Natural and Applied Sciences</td>
<td>261</td>
<td>4.5</td>
<td>559,573</td>
<td>7.3</td>
</tr>
<tr>
<td>Unique to Primary Industries</td>
<td>186</td>
<td>3.2</td>
<td>135,096</td>
<td>1.8</td>
</tr>
<tr>
<td>Other</td>
<td>133</td>
<td>2.3</td>
<td>200,341</td>
<td>2.6</td>
</tr>
<tr>
<td>Art, Culture, Recreation, and Sport</td>
<td>116</td>
<td>2.0</td>
<td>255,607</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,857</strong></td>
<td><strong>100.0 %</strong></td>
<td><strong>7,675,900</strong></td>
<td><strong>100.0 %</strong></td>
</tr>
</tbody>
</table>

Source: Polaris Intelligence

The sales and service sector and the trades, transport, and equipment operation sector are a significant part of the economy of Brighton. These two sectors represent approximately 40% of the total employed workforce.
Major Business and Industry

The Bay of Quinte has become a major manufacturing centre with more than 350 industrial manufacturers. The food-processing sector has a strong presence in the area with 35 companies employing 2,200 people. Surrounding this cluster of food processors is a full range of support services, such as cold storage, warehousing, equipment fabrication and repair, transportation, product supply, customized training, co-packing and other support services. Canada’s largest Air Force Base (8 Wing CFB Trenton) is in Quinte West and helps to sustain the bilingual population (English- and French-speaking). The large network of military personnel add to the region’s high-skilled labour pool.

Brighton’s major industries include manufacturing, construction, retail/services, tourism, and farming. Brighton is located approximately 32 kilometres west of Belleville. Brighton is home to several small to medium sized industrial businesses. With an existing vibrant and occupied business park, the Municipality purchased 51 acres of industrially zoned land.

The Northeast Industrial Park is the primary industrial area in Belleville. This area has large industrial plants and operations, along with numerous small industrial uses on small lots and in industrial plazas. The companies located in this park include Procter & Gamble, Halla Climate Control, ExxonMobil, Unilever Food Solutions, Sigma Stretch Film, Decoma Autosystems, Stegg, Nordenia Canada, Tyco Plastics, Greif Bros. Canada Ltd., Electrolab, Sprague Foods, and Quest-Tech Precision. A wide variety of manufacturing companies have facilities in Belleville, producing such goods as veterinary pharmaceuticals, automotive parts, food, metals, and hygiene products. Parmalat Black Diamond Cheese, Kellogg’s Canada, and Procter & Gamble are three of the largest employers in Belleville. Combined, these three companies have approximately 1,230 employees and more than 900,000 square feet of facility space.

Downtown Belleville, the historic district of the city, offers a variety of shopping and retail options, including fine dining, theatres, banks, law offices, and medical clinics. Bell Boulevard is located just off Highway 401, north of downtown Belleville. This commercial district is characterized by a large regional shopping centre (the Quinte Mall) and several big-box retailers, automotive centres, and supermarkets.

Given the strategic location off Highway 401, proximity to Belleville and the presence of land available for development in Brighton, Brighton is expected to see growth in the near future. The outlook for the market area is positive.
FIGURE 3-4 MAJOR EMPLOYERS IN BRIGHTON, TRENTON AND BELLEVILLE AREA

<table>
<thead>
<tr>
<th>Firm</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  CFB Trenton</td>
<td>2,500</td>
</tr>
<tr>
<td>2  Magna Belleville</td>
<td>1,000</td>
</tr>
<tr>
<td>3  Proctor and Gamble Belleville</td>
<td>800</td>
</tr>
<tr>
<td>4  Warkworth Penitentiary</td>
<td>400</td>
</tr>
<tr>
<td>5  Nestle Food Service Trenton</td>
<td>250</td>
</tr>
<tr>
<td>6  McKesson Distribution Centre Trenton</td>
<td>200</td>
</tr>
<tr>
<td>7  Kruger Paper Products Trenton</td>
<td>150</td>
</tr>
<tr>
<td>8  Global Med Healthcare products Trenton</td>
<td>150</td>
</tr>
<tr>
<td>9  Premier Tech Biotechnologies Brighton</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Provided by the Municipality of Brighton

The following table presents historical unemployment rates that are pertinent to the subject market area.

FIGURE 3-5 UNEMPLOYMENT STATISTICS – ONTARIO & CANADA

<table>
<thead>
<tr>
<th>Year</th>
<th>Ontario</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>7.9 %</td>
<td>7.5 %</td>
</tr>
<tr>
<td>2012</td>
<td>7.9</td>
<td>7.3</td>
</tr>
<tr>
<td>2013</td>
<td>7.6</td>
<td>7.1</td>
</tr>
<tr>
<td>2014</td>
<td>7.3</td>
<td>6.9</td>
</tr>
<tr>
<td>2015</td>
<td>6.8</td>
<td>6.9</td>
</tr>
<tr>
<td>2016</td>
<td>6.5</td>
<td>7.0</td>
</tr>
<tr>
<td>2017</td>
<td>6.0</td>
<td>6.3</td>
</tr>
<tr>
<td>2018</td>
<td>5.6</td>
<td>5.8</td>
</tr>
<tr>
<td>2019</td>
<td>5.6</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Source: Statistics Canada

The March release of Statistics Canada’s Labour Force Survey shows the impact of the COVID-19 outbreak on the Canadian labour market. In March, Canadian employment fell by 5.3%, reflecting the loss of more than one million jobs. Employment dropped in every province; the decline was 5.3% for Ontario, in line with the national average. The Canadian employment rate—or the proportion of people aged 15 and older who were employed—fell 3.3 percentage points to 58.5%, the lowest rate since April 1997.
In April 2020, Canada suffered an additional 15.7% decline in employment compared to the previous month, whereas provincial employment declined by another 14.5%. Following the drop of more than one million in March, employment fell by nearly two million in April. The COVID-19 economic shutdown has caused the loss of more than three million jobs on a national basis. Of those who were employed in April, the number who did not work any hours during the reference week (April 12 to 18, 2020) increased by 2.1 million compared to the previous month, while the number who worked less than half their usual hours increased by 2.5 million from February to April. The increases in absences from work can be attributed to COVID-19.

In total, 3 million Canadians were affected by job loss in April 2020. The unemployment rate increased by 5.2 percentage points to 13.0%, the second-largest one-month increase since comparable data became available in 1976, after the month of March 2020. In April, unemployment increased by 1,285,000 (+113.3%) relative to the previous month, largely because of temporary layoffs. The province suffered comparable losses, registering an unemployment rate of 11.3% in April.

According to the Conference Board of Canada's Labour Force Survey for the month of May 2020, employment rose by 289,600 in May, a sign that the worst of impact of COVID-19 on labour market may be over. Nevertheless, Canada’s labour market remains severely battered employment was still down by 2.7 million relative to February. Given that re-openings continue to gain steam across the country, job growth should accelerate in June.

The labour force also increased in May, meaning that more Canadians are looking for work, a sign that confidence in job prospects is improving. Overall, the labour force was up by 490,500. Because the labour force grew more than employment, the unemployment rate ticked up to 13.7%. In the context of such volatility in employment and workers opting in and out of the labour force, changes in the unemployment rate should be interpreted with caution.

Full-time employment (+219,400) increased more than part-time employment (+70,300). This is likely a result of industries that typically employ part-time workers (such as accommodation and food services) still being closed. The survey dates were from May 10 to May 16, meaning that re-openings in the second half of May are not accounted for in the data for the month of May.

Ontario was the only province to sustain a drop in employment in May (-64,500). Given that most restrictions remained in place during the survey period, Ontario will likely register strong employment growth in June’s survey.
Employment growth was strong in manufacturing (+79,100) and construction (+73,700), industries that either re-opened quickly or were closed voluntarily. Wholesale and retail trade (+107,000) and accommodation and food services (+41,900) also saw strong growth, which is a positive development given that these industries were among the hardest hit in the wave of job losses. Because of a slight rebound in lower-wage jobs, growth in the average weekly wage rate fell from 12.3% in April to 11.9% in May. The high rate of wage growth is a result of the labour market retaining more higher paying jobs.

Airport passenger counts are important indicators of lodging demand. Depending on the type of service a particular airfield provides, a sizable percentage of arriving passengers may require hotel accommodations. Changes in passenger counts also reflect local business activity and the overall economic health of the area.

The market area is served by one major international airport (Toronto Pearson International Airport) and one secondary airport that is located in Downtown Toronto (Billy Bishop Toronto City Airport); Pearson is approximately 183 kilometres southwest of the subject site. In addition, 8 Wing CFB Trenton, Canada’s largest air base, is located in Quinte West, approximately 19 kilometres from the subject site; this facility is available for commercial passenger and cargo flights by prior arrangement with the Department of National Defence. MacDonald-Cartier International Airport in Ottawa and Pierre Elliot Trudeau International Airport in Montreal are also within driving distance of Brighton. In addition, Norman Rogers Airport in Kingston is a 50-minute drive east of Belleville. This airport provides regular commercial flights to and from Toronto Pearson, in addition to offering private, charter, and cargo aircraft flight services.

**Toronto Pearson International Airport**

Toronto Pearson International Airport (YYZ), also known as Toronto Pearson, is the primary airport for the Golden Horseshoe, an urban agglomeration including and surrounding the Greater Toronto Area that is home to approximately 25% of Canada's population. Toronto Pearson, located in Mississauga, is the largest and busiest airport in Canada and North America's second-busiest airport in terms of international passengers.

For the past few years, the airport has been undergoing a $4.4-billion redevelopment program to help the airport meet the future air-transportation needs of the Greater Toronto Area. With the recent completion of the $140-million Terminal 3 Enhancement Project, which involved retail enhancements, energy-efficiency initiatives, and new infrastructure for security screening in advance of US Customs and Immigration Processing, the airport is now capable of accommodating up to 50 million passengers a year.
In early 2016, the Greater Toronto Airports Authority (GTAA) announced plans to develop an $11.2-billion regional transit hub to connect the airport area with key employment and residential areas throughout the Greater Golden Horseshoe. The proposed transit centre is to be located on 68 hectares of GTAA land across Airport Road from Terminals 1 and 3. A number of transit lines, such as trains, light-rail cars, and bus lines, would all circulate through the hub. A new mixed-use commercial area that will include office, retail, hotel, and other commercial space will be included in the development. In August 2017, the GTAA launched a Request for Proposals to procure design consulting services for the concept development of the regional transit centre. The target completion date for the project is 2027.

The new Union Pearson (UP) Express LRT line was launched in June 2015 and is a key infrastructure enhancement that better integrates the airport with Downtown Toronto. As traffic between Downtown Toronto and the airport is expected to double over the next ten years, the rail service will become essential to the efficiency of the Greater Toronto Area’s transportation infrastructure. In addition, the new Eglinton Crosstown LRT is expected to connect to the UP Express line in 2021, enhancing the accessibility between the airport and the northern Toronto area.

The air capacity of YYZ has been increasing because airlines are offering new routes and adding more flights to existing routes. In 2019, Air Canada launched new international service between Toronto and Mumbai, Berlin, and Reykjavik.

The following table illustrates recent operating statistics for the primary airport facility serving the proposed subject property’s submarket.
### Figure 3-6  Passenger Traffic – Pearson International Airport

<table>
<thead>
<tr>
<th>Year</th>
<th>Passenger Traffic</th>
<th>Percent Change*</th>
<th>Percent Change**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>32,334,831</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2009</td>
<td>30,368,339</td>
<td>(6.1) %</td>
<td>(6.1) %</td>
</tr>
<tr>
<td>2010</td>
<td>31,936,098</td>
<td>5.2</td>
<td>(0.6)</td>
</tr>
<tr>
<td>2011</td>
<td>33,435,277</td>
<td>4.7</td>
<td>1.1</td>
</tr>
<tr>
<td>2012</td>
<td>34,912,029</td>
<td>4.4</td>
<td>1.9</td>
</tr>
<tr>
<td>2013</td>
<td>36,109,469</td>
<td>3.4</td>
<td>2.2</td>
</tr>
<tr>
<td>2014</td>
<td>38,572,416</td>
<td>6.8</td>
<td>3.0</td>
</tr>
<tr>
<td>2015</td>
<td>41,036,877</td>
<td>6.4</td>
<td>3.5</td>
</tr>
<tr>
<td>2016</td>
<td>44,335,198</td>
<td>8.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2017</td>
<td>47,130,358</td>
<td>6.3</td>
<td>4.3</td>
</tr>
<tr>
<td>2018</td>
<td>49,507,418</td>
<td>5.0</td>
<td>4.4</td>
</tr>
<tr>
<td>2019</td>
<td>50,499,431</td>
<td>2.0</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Year-to-date through May

<table>
<thead>
<tr>
<th>Year</th>
<th>Passenger Traffic</th>
<th>Percent Change*</th>
<th>Percent Change**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>6,672,420</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2020</td>
<td>3,338,994</td>
<td>(50.0) %</td>
<td>—</td>
</tr>
</tbody>
</table>

*Percentage change from the previous year

**Compound annual change from first year of data

Source: Toronto Pearson

Toronto Pearson is served by more than 75 airlines offering daily flights to in excess of 180 destinations. Prior to 2020, the airport had been experiencing steady growth in passenger traffic for many years. The increase in passenger traffic was due in large part to growing demand and an increase in international passengers. Increased commercial activity, the Pan Am and Parapan Am Games, a spike in tourism stemming from the low Canadian dollar, and the addition of new international air carriers all contributed to the growth in passenger traffic.

The passenger count at Pearson for January and February 2020 remained flat compared to the same period last year despite a minor decline in international flights as COVID-19 began to affect other countries. Year-to-date through May, passenger traffic was down sharply because of the travel restrictions that have been imposed to control the pandemic. The Government of Canada banned entry to almost all international travellers on March 16, and all the provinces subsequently introduced their own travel restrictions. As a result of the pandemic, airline companies across North America have announced major route suspensions for both international and domestic flights.
Passenger traffic is expected to fall sharply in 2020 because of the travel restrictions that have been imposed to control the COVID-19 pandemic. We assume that normal travel activity will resume in 2021.

Building permit values, although not directly correlated to hotel demand, can be a useful indicator of economic conditions within a market. Generally, growth in residential permit values is indicative of a growing population, rising home prices, and prosperous economic conditions. Likewise, growing commercial permit values can be a signal of investor confidence in a market, an increase in the size or number of businesses, and generally positive economic conditions. Institutional expenditures are more sporadic and can be related to major new employers, replacement facilities, and public-sector investments; these projects are often within niche areas, such as infrastructure, roads, schools, and prisons, and they can be significant drivers of hotel room nights because specialized workers and large firms often have to be brought in from outside the area. Industrial building projects are sporadic but often sizable, although confined by the availability of industrial lands.
In 2019, a total of 171 permits were issued, and the total estimated construction cost was $35,017,000. Single-unit houses accounted for the highest number of permits, followed by other units and multi-family units in the city of Brighton.

Major Projects

Major projects can have a significant impact on a local market. These projects often create significant compression during the construction period and residual demand during the operating phase. Depending on the nature of the project, a major project can result in growth in the regional population, better transport systems and times, significant growth in retail sales and accommodation demand, and lower unemployment. Depending on the size of the project and the amount of employment during the operating phase, a correction may be experienced in the market once the project is completed.
According to the Municipality of Brighton, a range of proposed projects are scheduled in relation to residential development, upgrades to municipal infrastructure, and new developments in the industrial park. In the next 18 months, the industrial park will have four new developments associated with cannabis production, local contractors, or oil additives; each development will employ between 10 and 40 people. Several residential subdivision developments are ongoing, and a 20-unit condo development is scheduled for construction during the summer of 2020. The infrastructure upgrades will address sidewalks, roads, and the water/wastewater system.

- The City Centre Revitalization & Redevelopment Project was a multi-year municipal services and streetscape project that reconstructed Front Street and several adjacent side streets in downtown Belleville. The project involved both underground and surface work, including the reconstruction of roads and the installation of new urban design and landscape elements. All four phases were completed in December 2018. The total cost of the project was approximately $34.5 million.

- Construction of the $1.2-billion, 900-megawatt Napanee Generating Station in Napanee, located approximately 90 kilometres southeast of the subject site, was completed in December 2018. The project took four years to complete. The development site encompasses more than 94 acres, and the finished plant covers 27 acres.

- Following the completion of a long-promised renovation to the Yardmen Arena, the Ottawa Senators moved its AHL team, now known as the Belleville Senators, to Belleville for the 2017/18 season. The venue, which is located approximately 40 kilometres east of the subject site, had been vacant since Belleville lost the OHL Belleville Bulls in 2015. The renovation project started in November 2016 and was completed in the fall of 2017. The $20.5-million upgrade included an increase in capacity from 3,217 to 4,400, a new NHL-size rink, a new home-team dressing room, a new refrigeration system, a new score clock, new washrooms, and a new public entrance. The newly named Belleville Senators farm team has leased the arena for eight years. The home games held during the hockey season generate additional demand for hotels in the area.

Travel market intentions are a strong indicator of lodging demand in Canada. The trend data compiled by the Conference Board of Canada and the Canadian Tourism Research Council show the changes in overnight travel within both provincial and metropolitan markets. The data are then segmented according to traveller type and origin. The changes that occur in overnight travel have a direct relationship with specific types of lodging demand in the subject market.
Along with total travel expenditures, the following table summarizes the overnight travel forecasts for Ontario compared to national expectations. These forecasts were compiled in the fall of 2019 and published in February 2020. As such, they do not consider the devastating impact of the COVID-19 pandemic on the travel industry. These forecasts are presented here for the purpose of demonstrating what expectations were prior to the COVID-19 pandemic and related travel restrictions, the collapse of the price of oil, and the sudden movement of stock markets into bear territory. The outlook for travel activity in the near term is thus negative, contrary to what was expected at the start of 2020.

**FIGURE 3-8 OVERNIGHT VISIT FORECASTS – CANADA & ONTARIO (PRE-COVID FORECASTS)**

<table>
<thead>
<tr>
<th>Overnight Travel Forecasts (% Change)</th>
<th>2019e</th>
<th>2020f</th>
<th>2021f</th>
<th>2022f</th>
<th>2023f</th>
<th>Avg Annual % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canada</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>1.7 %</td>
<td>1.5 %</td>
<td>1.6 %</td>
<td>1.4 %</td>
<td>1.5 %</td>
<td>1.5 %</td>
</tr>
<tr>
<td>Business</td>
<td>3.3</td>
<td>2.2</td>
<td>2.1</td>
<td>1.9</td>
<td>2.0</td>
<td>2.3</td>
</tr>
<tr>
<td>Pleasure</td>
<td>1.2</td>
<td>1.6</td>
<td>1.8</td>
<td>1.5</td>
<td>1.6</td>
<td>1.5</td>
</tr>
<tr>
<td>United States</td>
<td>2.6</td>
<td>2.0</td>
<td>1.7</td>
<td>2.1</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>Overseas</td>
<td>4.1</td>
<td>3.3</td>
<td>3.5</td>
<td>3.7</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1.8</td>
<td>1.6</td>
<td>1.6</td>
<td>1.5</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Total Overnight Expenditures (millions)</td>
<td>$60,856</td>
<td>$63,413</td>
<td>$66,061</td>
<td>$68,793</td>
<td>$71,394</td>
<td>4.1</td>
</tr>
<tr>
<td><strong>Ontario</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>2.1 %</td>
<td>1.5 %</td>
<td>1.7 %</td>
<td>1.5 %</td>
<td>1.6 %</td>
<td>1.7 %</td>
</tr>
<tr>
<td>Business</td>
<td>5.1</td>
<td>2.4</td>
<td>2.1</td>
<td>2.0</td>
<td>2.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Pleasure</td>
<td>0.3</td>
<td>1.5</td>
<td>1.8</td>
<td>1.6</td>
<td>1.7</td>
<td>1.4</td>
</tr>
<tr>
<td>United States</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
<td>2.0</td>
<td>1.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Overseas</td>
<td>4.0</td>
<td>3.4</td>
<td>3.5</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2.2</td>
<td>1.7</td>
<td>1.8</td>
<td>1.7</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Total Overnight Expenditures (millions)</td>
<td>$19,646</td>
<td>$20,468</td>
<td>$21,319</td>
<td>$22,207</td>
<td>$22,991</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Source: Conference Board of Canada, *Travel Market Outlook, February 2020: National Focus*

**Trends in Overnight Travel: Canada**

Following a robust year of growth in 2017 spurred by the various celebrations associated with Canada 150, the growth in overnight visitation in Canada moderated to 1.7% and 1.8% in 2018 and 2019, respectively. The much more subdued growth was due to the cooling of national and global economic growth and rising travel prices. In 2018, Canada saw the emergence of low-cost air carriers at the same time that the Canada–China Year of Tourism took place; however, high fuel costs and escalating hotel room rates functioned to curtail the growth in overnight stays.
The Canadian economy started decelerating in the second half of 2018 and slowed further in 2019. Canadian households were facing a decrease in disposable income because of inflation, higher interest rates, and high debt levels, as well as only modest gains in wages and employment, which together made households reluctant to increase their discretionary spending. The weakness in overnight domestic pleasure travel, which increased just 1.2% in 2019, was offset by a 3.3% increase in business travel, which was supported by strong labour markets. Overall, domestic overnight visitation rose 1.7% in 2019.

After disappointing growth of just 1.2% in 2018, the number of overnight visits from the US increased at a stronger rate of 2.6% in 2019. Some of this growth can be linked to the favourable exchange rate, but visits from US were also boosted by the marketing efforts of various national and provincial tourism organizations, as well as Canada's legalization of recreational cannabis in 2018.

Following the impressive growth of 6.8% in 2017, overnight visitation from overseas increased by just 1.7% in 2018. This sharp deceleration reflects the fact that it is difficult to sustain vigorous increases in volume year over year, but the uncertainty in the global economy and the rising travel prices in Canada also played a significant role in the less-robust growth. In 2018, there was a decline in overnight visitation from Australia and Japan, two of Canada's largest source markets. However, strong growth in visitation from India and other areas of Asia helped to offset the weaker demand from these two major markets. Travel demand from overseas source markets is closely linked to geopolitical threats and economic crises, and overnight visits from source markets, such as the UK and Mexico, were curtailed in 2018 because of unfavourable economic conditions and low consumer confidence. In 2019, overnight overseas travel was up 4.1% and thus continued to be Canada's fastest-growing segment of overnight visitation.

The COVID-19 pandemic has dramatically altered the outlook for travel activity in Canada in 2020. The Conference Board of Canada produced its projections for 2020 and beyond in the fall and winter of 2019 even though they were published in February 2020. As such, the projections do not account for major events that have taken place in early 2020. The COVID-19 crisis has led to a significant reduction in international flights and travel and created widespread economic uncertainty. Both of Canada’s major carriers have announced that they will halt nearly all international and transborder flights in response to government travel bans.

Over one million Chinese tourists visit Canada annually, spending $1.8 billion. In its most recent press release, the Conference Board of Canada estimates that the country will see a 30% reduction in Chinese visitor spending this year, which will have a detrimental impact on the number of overnight overseas visitors in 2020. Moreover, negative impacts are already being seen in the cruise industry and
convention activity. Since February 2020, conferences and major events have been cancelled or postponed.

The impact of COVID-19 on the global travel industry and economy will be severe in the near term, and the duration of the impact will depend on the course of the pandemic, the extent and duration of travel restrictions that are taking place around the world, and the magnitude of the related impacts on individual economies. The decline in travel is expected to exceed that of prior pandemics and recent recessions. Hotels have begun to close en masse in cities around the world, and the continuity of business for small and medium-size operators is in jeopardy. Over the long term, based on travel patterns from prior pandemics, international travel is expected to recover and should resume being a significant source of tourism. As travel activity normalizes, the economic impact is expected to diminish.

The pandemic has spread to many key international feeder markets for Canada. The pandemic is expected to decimate any portion of the summer cruise season that could have been salvaged because the outbreak of COVID-19 on cruise ships has stigmatized the industry, a situation that will take years for cruise lines to recover from. Moreover, the uncertainty surrounding the duration of present travel restrictions, as well as the duration of the pandemic’s course in global markets, is expected to reduce transborder and international travel, which usually requires greater lead time in booking and travel planning. This will leave domestic travel the only significant area to rebound later in 2020, as these trips can often be arranged in a short timeframe.

Once the COVID-19 pandemic has run its course, business travel is expected to recover quickly but remain subdued because of the headwinds facing the economy, including the long-term impacts of COVID-19 on the economy and the recent collapse in oil prices. Travel demand from overseas source markets is closely linked to geopolitical threats and economic crises, and overnight visits from source markets will remain soft because of unfavourable economic conditions, low consumer confidence, and general rise in the fear of travel that will endure long after the pandemic has been resolved.

**Trends in Overnight Travel: Ontario**

Ontario is Canada’s most-visited province, accounting for 38% of all overnight visits in the country. After a robust year in 2017, stimulated largely by the events related to celebrating Canada 150, overnight visitation in Ontario grew more moderately in the following two years. In 2019, overnight visits in the province grew by 2.2%, supported by the growing provincial economy and the many festivals and events that were held, including the Juno Awards and the Canadian Open golf tournament. The success of the Toronto Raptors NBA team during the 2019 season resulted in a lot of media attention for Toronto and the province, and also potentially contributed
to the growth in visitor numbers. Tourism activity in the province will benefit from a $26-million investment into tourism infrastructure.

Domestic travel in Ontario is composed largely of interprovincial travel. The travel volume swells in July and August. Thanks to a well-diversified portfolio of source travel markets and a broad selection of activities, however, Ontario experiences less seasonality than other provinces and generates travel activity all year long. Domestic travel grew 2.1% in 2019, supported by strong growth in business travel. The Tim Hortons Brier, which took place in early March in Kingston, generated a boost in domestic travel before the pandemic took hold.

The legalization of recreational cannabis contributed to the increase in US visitation in 2019. Following a 0.7% contraction in 2018, the number of US overnight visitors in Ontario increased by 2.5% in 2019. The favourable exchange rate, the expansion of air-travel capacity, and the province’s accessibility from many major urban centres in the US should support further growth in US visitation in the future.

Overseas visitation increased by 4.0% in 2019 thanks to expanded air capacity and easing travel price inflation. The province is highly attractive to international travellers. Ontario sees more than 2.7 million overseas visitors annually, the largest overseas markets being the UK and China.

The projections in the Travel Market Outlook were produced in the fall and winter of 2019, so they do not account for the impact of the COVID-19 crisis on travel activity. Governmental efforts to contain the spread of COVID-19 have brought travel activity to a halt across the country. As such, Ontario will suffer a severe decline in overnight stays in 2020, but travel activity is expected to resume later in the year, and a recovery is expected to get underway in 2021.

The Bay of Quinte market benefits from the presence of a variety of tourist and leisure attractions in the area. The peak season for tourism in this area generally runs from June to September, with July and August being the strongest months. During other times of the year, weekend demand comprises travellers passing through en route to other destinations.

- Brighton features some distinctive 19th Century architecture and a variety of dining locations, including The Gables, The Whistling Duck, one of the only restaurants in Northumberland to overlook Lake Ontario at Presqu’ile Bay.

- Presqu’ile Provincial Park, located just south of Brighton, is a renowned destination for bird watchers. More than 300 species can be found here, and every spring thousands of migrating ducks and other waterfowl stop at the park on their way north. Other park activities include swimming, camping, windsurfing, diving, nature programs, or visiting the Heritage Centre at the
oldest operating lighthouse on the north shore of Lake Ontario. Cross-country ski trails are available during the winter.

- Brighton is surrounded by rich agricultural land with an abundance of apple orchards and roadside farmers’ stalls. AppleFest is held over the last full weekend of September to celebrate the apple harvest. Most AppleFest activities are centered on Brighton's main street and nearby King Edward Park. The events include BBQs, a children's village, a street fair, a car show, an arts and crafts show, dinners, and a parade. In response to COVID-19, the Municipality of Brighton has cancelled the 2020 Applefest event.

- Belleville’s Empire Theatre & Centre for the Performing Arts is a state-of-the-art theatre for both live performances and cinema. In 2002, the revamped theatre re-opened after spending the previous 28 years as a sports store. The 700-seat theatre features films and live performances throughout the year. One of the theatre’s most popular events is the Empire Rockfest, which is a 3-night outdoor summer music festival that brings in 5,000 people each night. The event has featured such famous acts as Slash, Alice Cooper, Lynyrd Skynyrd, Meat Loaf, and Weezer.

- Prince Edward County is approximately 45 kilometres east of Brighton and is home to Sandbanks Provincial Park, which offers long sandy beaches and excellent campground facilities and is one of the most popular parks in Ontario. The area also features Lake on the Mountain, a stunning natural lake located 200 feet above the Bay of Quinte with no rivers flowing in or out of its waters. The county is also home to numerous wineries and great shopping in nearby Bloomfield and Picton.

- The Bay of Quinte offers several fishing destinations. In addition to walleye, there is an abundance of large- and small-mouth bass, pike, musky, and perch. Fishing is not just a summertime activity; the bay is also ideal for ice fishing.
Prior to the advent of the COVID-19 pandemic, the Brighton, Belleville, and Trenton market area had been experiencing a period of economic strength and expansion. The local economy had been poised for steady growth given the pace of development taking place in the area, helped by the urban development that has been growing along the Highway 401 corridor. Brighton is located within a 35-minute drive of Belleville, which offers a diversified economy. Moreover, unemployment in the area had decreased substantially in response to a general improvement in market conditions. In addition, the passenger count at Pearson International Airport had been growing at a strong pace and surpassed 50 million for the first time in 2019. However, the COVID-19 outbreak has restricted travel, tourism, and business activities and resulted in the cancellation of events, delivering a devastating blow to the local economy that will resonate through the near term. The near-term outlook for the market is thus negative; however, the long-term outlook is positive, as the local economy is expected to bounce back after the pandemic has run its course.
4. Supply and Demand Analysis

In the lodging industry, price varies directly, but not proportionately, with demand and inversely, but not proportionately, with supply. Supply is measured by the number of guestrooms available, and demand is measured by the number of rooms occupied; the net effect of supply and demand moving toward equilibrium results in a prevailing price, or average daily rate (ADR). The purpose of this section is to investigate current supply and demand trends as indicated by the established competitive market so as to set forth a basis for the projection of future supply and demand growth.

Definition of Subject Hotel Market

The proposed subject hotel will be located in Brighton, where there are currently no branded hotels. As such, the proposed subject hotel is expected to compete with hotels in Belleville, which is approximately 31 kilometres from the subject site, and Trenton, a community located approximately 18 kilometres west of Belleville and 14 kilometres east of the subject site. The proposed subject hotel is expected to compete on a secondary level with nine hotels in Belleville and Trenton on account of differences in location, product offering, price point, and quality.

Our review of the proposed subject property's specific competitive set within the Belleville and Trenton area begins after our review of national and provincial occupancy, average rate, and RevPAR trends.

National and Provincial Trends Overview

The supply and demand trends within the immediate area have the most direct effect on the proposed subject property's local lodging market, but conditions in the national lodging market also influence individual markets. We have reviewed national lodging trends to provide a context for the forecast of the supply and demand that is developed for the proposed subject property's competitive set.

The following graphs present annual hotel occupancy and average rate data for Canada since 2010 and the percentage change in supply and demand. These statistics come from STR, an independent research firm that compiles and publishes data on the lodging industry.
The national hotel market ended 2019 in a healthy position, but conditions deteriorated rapidly in March 2020, leaving the country's accommodation sector facing unprecedented declines and grim prospects for 2020. In 2013, the market noted record demand levels and a RevPAR on par with 2008, the prior peak in the performance cycle. Demand grew steadily from 2010 through 2018. In 2018, the market-wide occupancy surpassed the 2017 occupancy level of 66% by one percentage point even though the room supply increased by 1.0%. In addition, record-breaking ADR growth contributed to further gains in RevPAR. In 2018, the country registered a 4.3% increase in ADR, as well as RevPAR growth for the ninth consecutive year.

In 2019, national RevPAR growth came to a halt. Demand growth flattened to an increase of just 0.1% even as supply advanced by 1.5%. Room rates increased in key urban markets where demand growth still outpaced supply increases, which helped to elevate the national ADR by 1.2%. These changes yielded a RevPAR that was even with the record high achieved in 2018.
While overall these results were positive, regional performances varied across the country. Supply growth was led by the West, but new developments have been getting underway in Eastern Canada across a variety of markets. Other regions, particularly Quebec, Ontario, and British Columbia, had experienced remarkable growth in both occupancy and ADR, benefitting from the weak Canadian dollar and the resulting increase in "staycation" traffic and international visitors in recent years.

With the advent of a new economic cycle and grim prospects for the country’s accommodation and tourism sector in 2020, development is expected to slow considerably as performance across all markets declines. The duration of the ongoing pandemic remains uncertain, and the toll on the economy will take some time to play out. In March 2020, an unprecedented number of hotels suspended operations in response to market conditions.

The year-to-date period shows a decline in all metrics. Rates have fared relatively well so far in the pandemic but are expected to deteriorate as the year progresses. Occupancy has fallen dramatically, which has caused a substantial RevPAR decline that is expected to persist throughout 2020.

**FIGURE 4-2  CHANGE IN NATIONAL ROOM SUPPLY AND DEMAND**

<table>
<thead>
<tr>
<th>Year</th>
<th>Available Room Nights</th>
<th>Occupied Room Nights</th>
<th>Occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4.8%</td>
<td>0.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2011</td>
<td>2.9%</td>
<td>0.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2012</td>
<td>6.5%</td>
<td>0.9%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2013</td>
<td>2.1%</td>
<td>0.8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2014</td>
<td>3.0%</td>
<td>0.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2015</td>
<td>0.9%</td>
<td>1.5%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2016</td>
<td>1.5%</td>
<td>0.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2017</td>
<td>1.9%</td>
<td>0.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2018</td>
<td>2.0%</td>
<td>1.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2019</td>
<td>1.5%</td>
<td>1.1%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Change</th>
<th>5.0%</th>
<th>4.5%</th>
<th>4.0%</th>
<th>3.5%</th>
<th>3.0%</th>
<th>2.5%</th>
<th>2.0%</th>
<th>1.5%</th>
<th>1.0%</th>
<th>0.5%</th>
<th>0.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2011</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2012</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2013</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2014</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2015</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2016</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2017</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2018</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2019</td>
<td>63%</td>
<td>62%</td>
<td>2.9%</td>
<td>2.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Available Room Nights | Occupied Room Nights | Occupancy (%)
The conservatism of Canada’s banking sector has generally kept supply growth in check over the past ten years. From 2012 to 2014, the supply increased by only 0.5%, well below the historical average of 1.0%. The positive demand trends coupled with the limited amount of new supply allowed the national occupancy level to rebound. In 2015, the country saw a stronger supply increase of 1.0%, which was greater than the demand growth for the same period, resulting in a slight drop in occupancy. In 2017, the room supply grew by 1.9%, the strongest rate on record.

The increased availability of capital, both debt and equity, has caused the supply pipeline to swell in recent years. Rising construction costs helped to keep supply growth in check, although regional disparities are apparent. Nevertheless, supply growth accelerated, registering an increase of 1.0% in 2018 and 1.5% in 2019. Given the numerous projects that are under construction and in the advanced planning stages, the room supply was expected to grow at a stronger pace in 2020. With supply chains disrupted and capital retreating from the sector, however, the pace of development will slow; many current developments will be delayed because materials are not being delivered and labour is less available during the pandemic.
Ontario had sustained continuous growth in RevPAR from 2010 through 2018 as a result of steady economic growth and increases in the number of overnight travellers. In this supportive operating environment, 2015 was a record year for the province in terms of both ADR and occupancy. The Pan Am and Parapan Am Games contributed to this improvement. In 2016, the province realized additional growth in both occupancy and ADR and set a fresh record for RevPAR, which surpassed the $100 mark for the first time. International sporting events and the low Canadian dollar were major contributors to this growth. The same trend continued in 2017, supported by steady economic growth and an increase in the number of overnight travellers.

In 2019, Ontario sustained additional RevPAR growth. The occupancy declined from 71.0% in 2018 to 70% in 2019 while the ADR improved to $164, reflecting a decline of one percentage point, respectively, over the previous year. Consequently, the province-wide RevPAR increased by 6.0% over the level registered in 2017 to a record high of $116 in 2018 and $115 in 2019. The market has generally benefitted from the low Canadian dollar, which supports economic growth and helps to boost tourism activities in the province.

Year-to-date through May 2020, the market-wide occupancy was 37%, reflecting a drop of 27 percentage points relative to the comparable period in 2019, and the ADR decreased from $157 to $140. The resulting RevPAR, at $53, is well below the RevPAR achieved in the comparable period in 2019. The COVID-19 pandemic is responsible for the sharp downturn in performance this year.

In December 2019, the novel coronavirus known as SARS-CoV-2, the cause of COVID-19 disease, was first identified in Wuhan, China. COVID-19 has since spread to most countries around the world. The first reported case in Canada occurred on January 25, 2020, from an individual who had travelled to Wuhan. Since then, all of Canada’s provinces and territories have declared, in one form or another, a state of emergency or a public health emergency. In late February and early March, stock markets around the world crashed. Oil prices also fell significantly in February and early March (most notably on March 9), declining to under USD$30 per barrel.

The COVID-19 outbreak has given rise to fear of contagion, school and business closures, and mass unemployment, as well as travel restrictions, social distancing, and other measures designed to limit the spread of the disease, all of which have negatively impacted on the Canadian lodging market. To understand the nature and severity of this impact, we have reviewed the following weekly occupancy and ADR data for the Canadian lodging industry, as published by STR.
Both occupancy and ADR began to decline significantly during the week of March 8-14, resulting in a double-digit RevPAR drop; this corresponds with the week that the World Health Organization officially declared COVID-19 to be a pandemic. The pace of the decline accelerated through March. In the week ending April 11, the national occupancy fell to a low of 12.0%, and the RevPAR was down by 87.6% relative to the comparable week in 2019. Since then, the occupancy has been slowly edging upward; it reached 33.3% for the week of July 12-18.
HVS has ordered and analyzed an STR Trends Report containing historical supply and demand data for a group of hotels that is considered representative of the proposed subject hotel’s competitive market. This information is presented in the following table along with the market-wide occupancy, average rate, and rooms revenue per available room (RevPAR). RevPAR, which is the product of occupancy and average room rate, provides an indication of how well rooms revenue is being maximized.
### FIGURE 4-5  HISTORICAL SUPPLY AND DEMAND TRENDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Daily Room Count</th>
<th>Available Room Nights</th>
<th>Change</th>
<th>Occupied Room Nights</th>
<th>Change</th>
<th>Occupancy</th>
<th>Average Rate</th>
<th>Change</th>
<th>RevPAR</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>636</td>
<td>232,018</td>
<td>—</td>
<td>145,805</td>
<td>—</td>
<td>62.8 %</td>
<td>$106.53</td>
<td>—</td>
<td>$66.95</td>
<td>—</td>
</tr>
<tr>
<td>2013</td>
<td>635</td>
<td>231,775</td>
<td>(0.1)%</td>
<td>142,032</td>
<td>(2.6)%</td>
<td>61.3 %</td>
<td>109.94</td>
<td>3.2%</td>
<td>67.37</td>
<td>0.6%</td>
</tr>
<tr>
<td>2014</td>
<td>635</td>
<td>231,775</td>
<td>0.0</td>
<td>142,718</td>
<td>0.5</td>
<td>61.6 %</td>
<td>112.18</td>
<td>2.0%</td>
<td>69.07</td>
<td>2.5%</td>
</tr>
<tr>
<td>2015</td>
<td>735</td>
<td>268,275</td>
<td>15.7</td>
<td>147,409</td>
<td>3.3</td>
<td>54.9 %</td>
<td>121.02</td>
<td>7.9%</td>
<td>66.50</td>
<td>(3.7)%</td>
</tr>
<tr>
<td>2016</td>
<td>732</td>
<td>267,357</td>
<td>(0.3)%</td>
<td>159,012</td>
<td>7.9</td>
<td>59.5 %</td>
<td>126.43</td>
<td>4.5%</td>
<td>75.20</td>
<td>13.1%</td>
</tr>
<tr>
<td>2017</td>
<td>729</td>
<td>266,085</td>
<td>(0.5)%</td>
<td>160,352</td>
<td>0.8</td>
<td>60.3 %</td>
<td>129.91</td>
<td>2.7%</td>
<td>78.29</td>
<td>4.1%</td>
</tr>
<tr>
<td>2018</td>
<td>740</td>
<td>270,080</td>
<td>1.5</td>
<td>169,066</td>
<td>5.4</td>
<td>62.6 %</td>
<td>135.75</td>
<td>4.5%</td>
<td>84.98</td>
<td>8.5%</td>
</tr>
<tr>
<td>2019</td>
<td>797</td>
<td>290,905</td>
<td>7.7</td>
<td>169,870</td>
<td>0.5</td>
<td>58.4 %</td>
<td>132.67</td>
<td>(2.3)%</td>
<td>77.47</td>
<td>(8.8)%</td>
</tr>
</tbody>
</table>

**Year-to-Date Through April**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Daily Room Count</th>
<th>Available Room Nights</th>
<th>Change</th>
<th>Occupied Room Nights</th>
<th>Change</th>
<th>Occupancy</th>
<th>Average Rate</th>
<th>Change</th>
<th>RevPAR</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>797</td>
<td>95,640</td>
<td>—</td>
<td>42,739</td>
<td>—</td>
<td>44.7 %</td>
<td>$124.77</td>
<td>—</td>
<td>$55.76</td>
<td>—</td>
</tr>
<tr>
<td>2020</td>
<td>797</td>
<td>95,640</td>
<td>0.0 %</td>
<td>47,690</td>
<td>11.6 %</td>
<td>49.9 %</td>
<td>122.26</td>
<td>(2.0)%</td>
<td>60.97</td>
<td>9.3%</td>
</tr>
</tbody>
</table>

Average Annual Compounded Change:
2012–2019 3.3% 2.2% 3.2% 2.1%

Source: STR

### FIGURE 4-6  HOTELS INCLUDED IN THE STR TRENDS REPORT

<table>
<thead>
<tr>
<th>Hotels Included in Sample</th>
<th>Class</th>
<th>Competitive Status</th>
<th>Number of Rooms</th>
<th>Year Opened</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Inn &amp; Suites Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>69</td>
<td>Nov 2018</td>
</tr>
<tr>
<td>TownePlace Suites Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>100</td>
<td>Jan 2015</td>
</tr>
<tr>
<td>Holiday Inn Express &amp; Suites Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>80</td>
<td>Jun 2007</td>
</tr>
<tr>
<td>Travelodge Trenton</td>
<td>Economy</td>
<td>Secondary</td>
<td>43</td>
<td>Jun 2006</td>
</tr>
<tr>
<td>Comfort Inn Trenton</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>74</td>
<td>Jun 1990</td>
</tr>
<tr>
<td>Best Western Belleville</td>
<td>Midscale</td>
<td>Secondary</td>
<td>88</td>
<td>Jun 1988</td>
</tr>
<tr>
<td>Ramada Trenton</td>
<td>Midscale</td>
<td>Secondary</td>
<td>108</td>
<td>Jun 1979</td>
</tr>
<tr>
<td>Comfort Inn Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>121</td>
<td>Jun 1978</td>
</tr>
<tr>
<td>Fairfield Inn &amp; Suites Belleville</td>
<td>Upper Midscale</td>
<td>Secondary</td>
<td>114</td>
<td>Jun 1961</td>
</tr>
</tbody>
</table>

Total 797

Source: STR
STR data provide a good indication of aggregate growth or decline in existing supply and demand; the trends that are evident from these data are thus given consideration in our analysis. STR data nevertheless have limitations that should be noted. Hotels are occasionally added to or removed from the sample, and not every property reports data in a consistent and timely manner. These factors can affect the overall quality of the information by skewing the results. These inconsistencies may also cause the STR data to differ from the results of our independent survey of the competition. Opening dates, as available, are presented for each reporting hotel in the previous table.

The STR data for the competitive set reflect a market-wide occupancy level of 58.4% in 2019, which compares to 62.6% for 2018. The overall average occupancy level for the calendar years presented equates to 59.5%. The market-wide ADR level was $132.67 in 2019, which compares to $135.75 for 2018. These occupancy and ADR trends resulted in a RevPAR level of $77.47 in 2019.

Local employers, Highway 401, and leisure activities represent the primary sources of demand for the selected set of competitive hotels located in Belleville and Trenton.

**STR Report: Trends in Supply and Demand**

The opening of the TownePlace Suites by Marriott Belleville in January 2015 added 100 new rooms to the market, representing a 15.7% increase in the room supply for that year. Market-wide demand increased in 2015, but the room supply grew at a stronger rate; consequently, the market-wide occupancy dropped by 6.7 points to 54.9% in 2015. In 2016 and 2017, the opening of the TownePlace Suites induced demand into the market, and improved economic conditions also helped to increase
demand. As a result, the market-wide occupancy went back above the 60% mark in both years. In 2018, market-wide demand grew at a stronger pace, but the Country Inn & Suites Belleville opened in November, bringing 69 rooms to the market late in the year.

In 2019, demand did not grow by very much as compared to the previous year even as the room supply was up considerably. The decline in occupancy was largely due to supply growth and a softer tourism season brought on by unfavourable summer weather. The increase in the room supply resulted in 0.5% growth in demand and the market-wide occupancy performance declined by 2.3%, resulting in an occupancy level of 58.4% for the year. Nevertheless, market-wide demand increased at an average annual rate of 2.2% between 2012 and 2019, which reflects a healthy growth trajectory overall prior to COVID-19.

STR Report: ADR Trends
Local employers, Highway 401, and leisure activities represent the primary sources of demand for the selected set of competitive hotels located in Belleville and Trenton. With the establishment of a temporary CN Rail contract in 2011, the market experienced an increase in demand in that year. The market registered above-inflationary ADR growth in each year from 2013 through 2018, except for 2014. The rail contract came to completion in 2012. The removal of low-rated CN Rail business from the market supported rate growth in 2013. In 2015, the opening of the TownePlace Suites by Marriott Belleville spurred growth in the market-wide ADR, which rose to $121.02, a 7.9% increase over 2014. Robust ADR growth persisted from 2016 through 2018 with annual growth of 4.5%, 2.7%, and 4.5%, respectively.

In 2019, the market-wide ADR declined by 2.3%. The bulk of rate growth in this market takes place during the summer months when the demand for accommodation is high throughout the region. In 2019, softer travel activity in the summer months hindered the market-wide ADR performance.

STR Report: Year-to-Date Trends
The year-to-date performance indicators show a general strengthening of the market in early 2020. Demand was up 11.6%. ADR down by 2.0%, yielding a 9.3% increase in RevPAR. During the month of February 2020, the occupancy increased from 43.6% to 71.7% during the months of January and February 2020, resulting in a 2.2% increase in ADR in February. This way mainly due to the CN Rail Tracks protests and the Trenton base quarantine period. On February 7, 2020, the Government of Canada repatriated individuals and their families from Wuhan, China, and to reduce the risk of spread of COVID-19 within Canada, these Canadians were transported to Canadian Forces Base (CFB) Trenton for a 14-day quarantine. The Trenton base had been the primary source of housing for Canadians who were
airlifted from Wuhan. The base was also used as an initial screening area for Canadian passengers who were evacuated from the quarantined Diamond Princess in Japan before they entered their additional 14-day quarantine period at the NAV Canada facility in Cornwall, Ontario. During this time, on February 7, 2020, Via Rail cancelled its train service between Toronto and Ottawa and Toronto and Montreal because of the protest on the CN Rail Tracks in Tyendinaga Township. The protests blocked tracks near Belleville, Ontario and on February 24, 2020, Ontario Provincial Police moved to enforce injunction aimed at clearing the Belleville-area rail blockade.

The performance of the market has deteriorated since February 2020, during the month of March 2020, when occupancy declined to 56.9% and ADR decreased from $124.09 in February to $122.27 in March. The occupancy and ADR deteriorated further in April due to the moratorium on travel and the practice of social distancing to mitigate COVID-19 which is negatively affecting lodging demand. Overall, the outlook of the market is negative in the near term; however, a quick rebound is anticipated for the market after the pandemic has run its course.

Seasonality

Monthly occupancy and ADR trends are presented in the following tables.

**FIGURE 4-8 MONTHLY OCCUPANCY TRENDS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>54.5%</td>
<td>49.3%</td>
<td>50.8%</td>
<td>44.8%</td>
<td>42.3%</td>
<td>42.7%</td>
<td>44.5%</td>
<td>42.6%</td>
<td>43.6%</td>
</tr>
<tr>
<td>February</td>
<td>66.0%</td>
<td>49.1%</td>
<td>48.6%</td>
<td>40.3%</td>
<td>39.8%</td>
<td>45.7%</td>
<td>49.1%</td>
<td>40.3%</td>
<td>71.7%</td>
</tr>
<tr>
<td>March</td>
<td>52.4%</td>
<td>49.1%</td>
<td>47.8%</td>
<td>49.2%</td>
<td>43.0%</td>
<td>45.8%</td>
<td>50.8%</td>
<td>44.7%</td>
<td>56.9%</td>
</tr>
<tr>
<td>April</td>
<td>47.0%</td>
<td>61.2%</td>
<td>58.4%</td>
<td>46.9%</td>
<td>51.2%</td>
<td>47.0%</td>
<td>56.2%</td>
<td>50.9%</td>
<td>28.8%</td>
</tr>
<tr>
<td>May</td>
<td>63.8%</td>
<td>61.4%</td>
<td>62.1%</td>
<td>55.6%</td>
<td>60.1%</td>
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</tr>
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<td>45.4%</td>
<td>44.1%</td>
<td>45.3%</td>
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Source: STR
### FIGURE 4-9 MONTHLY ADR TRENDS

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<td>$125.02</td>
<td>$123.41</td>
<td>$131.18</td>
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<td>107.89</td>
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<td>119.44</td>
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<td>127.03</td>
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<td>109.85</td>
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<td>132.75</td>
<td>125.63</td>
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<td>107.98</td>
<td>116.04</td>
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<td>118.83</td>
<td>124.01</td>
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<td>$112.18</td>
<td>$121.02</td>
<td>$126.43</td>
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Source: STR

### FIGURE 4-10 SEASONALITY

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<tbody>
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<td><strong>High Season - June, July, August, September</strong></td>
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<tr>
<td>Occupancy</td>
<td>75.2 %</td>
<td>75.4 %</td>
<td>76.2 %</td>
<td>70.6 %</td>
<td>78.1 %</td>
<td>77.8 %</td>
<td>82.3 %</td>
<td>76.9 %</td>
</tr>
<tr>
<td>Average Rate</td>
<td>$109.66</td>
<td>$112.52</td>
<td>$116.46</td>
<td>$127.36</td>
<td>$134.50</td>
<td>$137.66</td>
<td>$144.94</td>
<td>$142.03</td>
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<td>RevPAR</td>
<td>82.45</td>
<td>84.86</td>
<td>88.78</td>
<td>89.95</td>
<td>105.08</td>
<td>107.06</td>
<td>119.32</td>
<td>109.24</td>
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<td><strong>Shoulder Season - May, October</strong></td>
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</tr>
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<td>64.1 %</td>
<td>63.4 %</td>
<td>63.9 %</td>
<td>55.2 %</td>
<td>59.5 %</td>
<td>62.3 %</td>
<td>66.5 %</td>
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<td>$108.86</td>
<td>$111.88</td>
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<td>71.47</td>
<td>66.38</td>
<td>73.15</td>
<td>78.30</td>
<td>87.59</td>
<td>77.68</td>
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<tr>
<td><strong>Low Season - January, February, March, April, November, December</strong></td>
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<tr>
<td>Occupancy</td>
<td>54.1 %</td>
<td>51.0 %</td>
<td>50.9 %</td>
<td>44.3 %</td>
<td>46.9 %</td>
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<td>$127.39</td>
<td>$123.65</td>
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<tr>
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<td>58.89</td>
<td>61.69</td>
<td>55.99</td>
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</table>

Source: STR
The illustrated monthly occupancy and ADR patterns reflect important seasonal characteristics. We have reviewed these trends in developing our forthcoming forecast of market-wide demand and average rate.

**Patterns of Demand**

A review of the trends in occupancy and average rate by day of the week provides some insight into the impact that economic conditions have had on the competitive lodging market. The data, as provided by STR, are illustrated in the following tables.
**FIGURE 4-12  OCCUPANCY BY DAY OF THE WEEK (TRAILING 12 MONTHS)**

<table>
<thead>
<tr>
<th>Month</th>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
<th>Total Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>May - 19</td>
<td>37.8 %</td>
<td>55.5 %</td>
<td>70.7 %</td>
<td>69.2 %</td>
<td>67.2 %</td>
<td>55.8 %</td>
<td>70.5 %</td>
<td>61.3 %</td>
</tr>
<tr>
<td>Jun - 19</td>
<td>45.8 %</td>
<td>65.3 %</td>
<td>78.7 %</td>
<td>78.4 %</td>
<td>66.5 %</td>
<td>70.0 %</td>
<td>78.1 %</td>
<td>68.5 %</td>
</tr>
<tr>
<td>Jul - 19</td>
<td>54.9 %</td>
<td>75.6 %</td>
<td>86.8 %</td>
<td>87.7 %</td>
<td>75.0 %</td>
<td>84.0 %</td>
<td>98.1 %</td>
<td>80.6 %</td>
</tr>
<tr>
<td>Aug - 19</td>
<td>64.9 %</td>
<td>83.6 %</td>
<td>93.1 %</td>
<td>89.9 %</td>
<td>83.6 %</td>
<td>92.7 %</td>
<td>98.9 %</td>
<td>87.2 %</td>
</tr>
<tr>
<td>Sep - 19</td>
<td>49.2 %</td>
<td>63.5 %</td>
<td>77.1 %</td>
<td>75.5 %</td>
<td>75.2 %</td>
<td>71.4 %</td>
<td>92.1 %</td>
<td>70.9 %</td>
</tr>
<tr>
<td>Oct - 19</td>
<td>33.8 %</td>
<td>48.4 %</td>
<td>63.8 %</td>
<td>61.2 %</td>
<td>57.9 %</td>
<td>66.6 %</td>
<td>81.4 %</td>
<td>59.2 %</td>
</tr>
<tr>
<td>Nov - 19</td>
<td>25.4 %</td>
<td>53.1 %</td>
<td>61.0 %</td>
<td>61.8 %</td>
<td>48.4 %</td>
<td>54.7 %</td>
<td>61.4 %</td>
<td>52.7 %</td>
</tr>
<tr>
<td>Dec - 19</td>
<td>25.3 %</td>
<td>41.8 %</td>
<td>48.1 %</td>
<td>49.7 %</td>
<td>40.6 %</td>
<td>37.0 %</td>
<td>42.4 %</td>
<td>40.5 %</td>
</tr>
<tr>
<td>Jan - 20</td>
<td>21.6 %</td>
<td>47.5 %</td>
<td>54.5 %</td>
<td>46.1 %</td>
<td>42.8 %</td>
<td>44.8 %</td>
<td>46.8 %</td>
<td>43.6 %</td>
</tr>
<tr>
<td>Feb - 20</td>
<td>52.7 %</td>
<td>73.2 %</td>
<td>84.6 %</td>
<td>82.5 %</td>
<td>77.1 %</td>
<td>70.3 %</td>
<td>63.6 %</td>
<td>71.7 %</td>
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<tr>
<td>Mar - 20</td>
<td>42.2 %</td>
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<td>63.6 %</td>
<td>66.2 %</td>
<td>61.6 %</td>
<td>54.1 %</td>
<td>50.7 %</td>
<td>56.9 %</td>
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<tr>
<td>Apr - 20</td>
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<td>23.7 %</td>
<td>22.5 %</td>
<td>28.8 %</td>
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<tr>
<td>Average</td>
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<td>58.5 %</td>
<td>67.7 %</td>
<td>66.2 %</td>
<td>60.1 %</td>
<td>60.5 %</td>
<td>67.9 %</td>
<td>60.1 %</td>
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</table>

Source: STR

**FIGURE 4-13  AVERAGE RATE BY DAY OF THE WEEK (TRAILING 12 MONTHS)**

<table>
<thead>
<tr>
<th>Month</th>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
<th>Total Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>May - 19</td>
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<td>$126.19</td>
<td>$127.31</td>
<td>$128.06</td>
<td>$127.94</td>
<td>$126.74</td>
<td>$127.97</td>
<td>$127.35</td>
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<td>Jun - 19</td>
<td>133.72</td>
<td>128.86</td>
<td>132.18</td>
<td>132.40</td>
<td>127.58</td>
<td>133.94</td>
<td>137.53</td>
<td>132.63</td>
</tr>
<tr>
<td>Jul - 19</td>
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<td>137.65</td>
<td>147.30</td>
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<td>145.82</td>
<td>144.30</td>
<td>154.52</td>
<td>166.10</td>
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<td>134.27</td>
<td>130.79</td>
<td>131.74</td>
<td>139.35</td>
<td>144.54</td>
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<td>114.67</td>
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<td>115.06</td>
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<td>117.99</td>
<td>116.93</td>
<td>120.27</td>
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<td>119.97</td>
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<td>123.73</td>
<td>123.49</td>
<td>126.71</td>
<td>122.81</td>
<td>124.09</td>
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<td>122.10</td>
<td>123.39</td>
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<td>$130.12</td>
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Source: STR
FIGURE 4-14  OCCUPANCY AND AVERAGE ROOM RATE BY DAY OF THE WEEK (TRAILING 12 MONTHS)
In most markets, business travel, including individual commercial travellers and corporate groups, is the predominant source of demand on Monday through Thursday nights. Leisure travellers and non-business-related groups generate the majority of demand on Friday and Saturday nights.
The following table summarizes the important operating characteristics of the future secondary competitors. This information was compiled from personal interviews, inspections, online resources, and our in-house database of hotel operating and facility data.
### FIGURE 4-16  SECONDARY COMPETITORS – OPERATING PERFORMANCE

<table>
<thead>
<tr>
<th>Property</th>
<th>Number of Rooms</th>
<th>Commercial Occ.</th>
<th>Meeting/Group Occ.</th>
<th>Leisure Occ.</th>
<th>Total Competitive Level</th>
<th>Estimated 2018</th>
<th>Estimated 2019</th>
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<tr>
<td>Comfort Inn Trenton</td>
<td>74</td>
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<td>10 %</td>
<td>20 %</td>
<td>50 %</td>
<td>37</td>
<td>27</td>
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<td>Ramada Trenton Hotel</td>
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<td>20</td>
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<td>11</td>
<td>11</td>
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<td>Travelodge Trenton</td>
<td>43</td>
<td>75</td>
<td>5</td>
<td>20</td>
<td>25</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Best Western Belleville</td>
<td>88</td>
<td>60</td>
<td>10</td>
<td>30</td>
<td>25</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Country Inn &amp; Suites by Radisson Belleville</td>
<td>69</td>
<td>55</td>
<td>10</td>
<td>35</td>
<td>50</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Comfort Inn Belleville</td>
<td>121</td>
<td>65</td>
<td>5</td>
<td>30</td>
<td>50</td>
<td>61</td>
<td>61</td>
</tr>
<tr>
<td>Fairfield by Marriott Belleville</td>
<td>114</td>
<td>55</td>
<td>15</td>
<td>30</td>
<td>50</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Holiday Inn Express Hotel &amp; Suites Belleville</td>
<td>80</td>
<td>60</td>
<td>10</td>
<td>30</td>
<td>50</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>TownePlace Suites by Marriott Belleville</td>
<td>100</td>
<td>55</td>
<td>10</td>
<td>35</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td><strong>Totals/Averages</strong></td>
<td>797</td>
<td>60 %</td>
<td>10 %</td>
<td>29 %</td>
<td>39 %</td>
<td>285</td>
<td>314</td>
</tr>
</tbody>
</table>

Specific occupancy and average rate data are used in our analysis, but ranges are presented in the above table to preserve confidentiality.
• The Comfort Inn Trenton, the Country Inn & Suites by Radisson Belleville, the Comfort Inn Belleville, the Fairfield by Marriott Belleville, and the Holiday Inn Express Hotel & Suites Belleville are all weighted as 50% competitive with the proposed subject hotel on the basis of location and orientation towards accommodating transient corporate demand. In addition to this the hotels are located further away from the subject site, as they are located in Trenton and Belleville. The proposed subject property will also be superior in product quality and positioned at a higher price point.

• The Ramada Trenton Hotel, the Travelodge Trenton, the Best Western Belleville, and the TownePlace Suites by Marriott Belleville are weighted as only 25% competitive with the proposed subject hotel because of greater differences in price point and product offering. In addition to this, these hotels need major renovations as they offer a much inferior product as compared to what the proposed subject property will have to offer. The TownePlace Suites by Marriott Belleville has an extended-stay product orientation which will limit the degree to which the property competes with the proposed subject hotel.

The following map illustrates the location of the proposed subject hotel and its future competitors.
MAP OF COMPETITION

Brighton
Best Western Belleville (Secondary)
Country Inn & Suites by Radisson, Belleville ON (Secondary)
Comfort Inn Belleville (Secondary)
Comfort Inn Trenton (Secondary)

Fairfield by Marriott Belleville (Secondary)
Holiday Inn Express Hotel & Suites Belleville (Secondary)
Ramada Trenton Hotel (Secondary)
TownePlace Suites by Marriott Belleville (Secondary)
Travelodge Trenton (Secondary)
Supply Changes

It is important to consider any new hotels that may have an impact on the proposed subject hotel’s operating performance. We have identified the following new supply that is expected to have some degree of competitive interaction with the proposed subject hotel based on location, anticipated market orientation and price point, and/or operating profile.

**FIGURE 4-17  NEW SUPPLY**

<table>
<thead>
<tr>
<th>Proposed Property</th>
<th>Number of Rooms</th>
<th>Property Type</th>
<th>Address/Location</th>
<th>Total Competitive Level</th>
<th>Weighted Room Count</th>
<th>Est. Opening Date</th>
<th>Development Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Subject Property</td>
<td>60</td>
<td>Limited-Service</td>
<td>Location to be determined in Brighton</td>
<td>100 %</td>
<td>60</td>
<td>April 1, 2024</td>
<td>Early Development</td>
</tr>
<tr>
<td>Proposed Hampton Inn &amp; Suites Belleville</td>
<td>101</td>
<td>Limited-Service</td>
<td>784 Bell Boulevard West, Belleville</td>
<td>50</td>
<td>51</td>
<td>October 1, 2020</td>
<td>In Construction</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
<td></td>
<td></td>
<td></td>
<td>111</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Proposed Hampton Inn & Suites Belleville will be similar to the proposed subject hotel in terms of product offering and service level, but it is considered secondarily competitive on the basis of the location in Belleville.

In response to the travel restrictions and the decline in demand associated with the COVID-19 pandemic, many hotels in markets across the country have temporarily suspended operations. During these suspensions, hotels are typically closing to the public with the majority of staff furloughed; however, key management and maintenance staff are being retained to preserve the property and allow the hotel quickly re-open when market conditions improve. Hotels in the subject market may undergo similar reductions in operations, but they are expected to re-open as soon as demand recovers. Our analysis considers the full supply of competitive rooms, including any hotels that have temporarily suspended operations.

We have taken reasonable steps to investigate proposed hotel projects and their status. However, it is impossible to determine with certainty every hotel that will be opened in the future or what their marketing strategies and effect on the market will be. Depending on the outcome of current and future projects, the future operating potential of the proposed subject hotel may be affected. Future improvement in market conditions will raise the risk of increased competition. Our forthcoming forecasts of stabilized occupancy and average rate are intended to reflect this risk.

**Supply Conclusion**

We have identified various properties that are expected to be competitive to some degree with the Proposed Hotel Brighton. We have also investigated potential increases in the competitive supply in this Brighton submarket. The Proposed Hotel Brighton should enter a dynamic market of varying product types and price points. Next, we present our forecast for demand change, using the historical supply data as a starting point.
DEMAND

The following table presents the most recent trends for the subject hotel market as tracked by HVS. These data pertain to the competitors identified previously in this section; the performance results are estimated, rounded for the competition, and weighted for competitive level. In this respect, the information in the table differs from the previously presented STR data, but it is consistent with the supply and demand analysis developed for this report.

FIGURE 4-18  HISTORICAL MARKET TRENDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Accommodated Room Nights</th>
<th>% Change</th>
<th>Room Nights Available</th>
<th>% Change</th>
<th>Market Occupancy</th>
<th>Market ADR</th>
<th>% Change</th>
<th>Market RevPAR</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Est. 2017</td>
<td>61,914</td>
<td>—</td>
<td>102,109</td>
<td>—</td>
<td>60.6 %</td>
<td>$129.68</td>
<td>—</td>
<td>$78.63</td>
<td>—</td>
</tr>
<tr>
<td>Est. 2018</td>
<td>65,643</td>
<td>6.0 %</td>
<td>104,031</td>
<td>1.9 %</td>
<td>63.1</td>
<td>135.46</td>
<td>4.5 %</td>
<td>85.47</td>
<td>8.7 %</td>
</tr>
<tr>
<td>Est. 2019</td>
<td>67,756</td>
<td>3.2 %</td>
<td>114,519</td>
<td>10.1 %</td>
<td>59.2</td>
<td>132.71</td>
<td>(2.0)</td>
<td>78.52</td>
<td>(8.1)</td>
</tr>
<tr>
<td>Avg. Annual Compounded Chg., Est. 2017–Est. 2019:</td>
<td>4.6 %</td>
<td>5.9 %</td>
<td>1.2 %</td>
<td>(0.1) %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of analyzing demand, the overall market is divided into individual segments based on the nature of travel. Based on our fieldwork, area analysis, and knowledge of the local lodging market, we estimate the distribution of accommodated room-night demand in 2019 as follows.

FIGURE 4-19  ACCOMMODATED ROOM-NIGHT DEMAND (2019)

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Accommodated Demand</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>40,947</td>
<td>60 %</td>
</tr>
<tr>
<td>Meeting and Group</td>
<td>6,954</td>
<td>10</td>
</tr>
<tr>
<td>Leisure</td>
<td>19,855</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>67,756</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>
Using the distribution of accommodated hotel demand as a starting point, we will analyze the characteristics of each market segment in an effort to determine future trends in room-night demand.

The purpose of segmenting the lodging market is to define each major type of demand, identify customer characteristics, and estimate future growth trends. Starting with an analysis of the local area, three segments were defined as representing the proposed subject hotel’s lodging market. Various types of economic and demographic data were then evaluated to determine their propensity to reflect changes in hotel demand. Based on this procedure, we forecast the following base annual growth rates for each demand segment.

### FIGURE 4-21 BASE ANNUAL DEMAND GROWTH PROJECTION BY SEGMENT

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>1.7 %</td>
<td>(30.0)%</td>
<td>35.0%</td>
<td>6.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Meeting and Group</td>
<td>2.7</td>
<td>(35.0)%</td>
<td>40.0%</td>
<td>10.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Leisure</td>
<td>6.7</td>
<td>(5.0)%</td>
<td>5.0%</td>
<td>4.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Base Demand Growth</strong></td>
<td><strong>3.2 %</strong></td>
<td><strong>(23.2) %</strong></td>
<td><strong>24.6 %</strong></td>
<td><strong>5.8 %</strong></td>
<td><strong>2.9 %</strong></td>
<td><strong>2.9 %</strong></td>
<td><strong>2.9 %</strong></td>
<td><strong>2.9 %</strong></td>
<td><strong>2.9 %</strong></td>
</tr>
</tbody>
</table>

### Commercial Segment

Commercial demand consists mainly of individual businesspeople passing through the subject market or visiting area businesses, in addition to high-volume corporate accounts generated by local firms. Brand loyalty (particularly frequent-traveler programs), as well as location and convenience with respect to businesses and amenities, influence lodging choices in this segment. Companies typically designate hotels as “preferred” accommodations in return for more favorable rates, which are discounted in proportion to the number of room nights produced by a commercial
client. Commercial demand is strongest Monday through Thursday nights, declines significantly on Friday and Saturday, and increases somewhat on Sunday night. It is relatively constant throughout the year, with marginal declines in late December and during other holiday periods.

Local employers, manufacturers, and headquarter offices in the area, as well as Highway 401, represent the main commercial demand generators for this market. The exhortation to stay home and the prohibition on travel to constrain the spread of the novel coronavirus will negatively affect the hospitality sector in 2020. This year, commercial demand is projected to contract by 30.0%. Commercial demand is expected to come back to the market after the pandemic has run its course. On this basis, commercial demand is projected to increase by 35.0% in 2021 and 6.0% in 2022. Based on the past performance of the market, stable base growth of 3.0% per year is projected thereafter.

The meeting-and-group market includes meetings, seminars, conventions, trade association shows, and similar gatherings of ten or more people. Peak convention demand typically occurs in the spring and fall. Although there are numerous classifications within the meeting-and-group segment, the primary categories considered in this analysis are corporate groups, associations, and SMERFE (social, military, ethnic, religious, fraternal, and educational) groups. Corporate groups typically meet during the business week, most commonly in the spring and fall months. These groups tend to be the most profitable for hotels, as they typically pay higher rates and usually generate ancillary revenues including food and beverage and/or banquet revenue. SMERFE groups are typically price-sensitive and tend to meet on weekends and during the summer months or holiday season, when greater discounts are usually available; these groups generate limited ancillary revenues. Association demand is generally divided on a geographical basis, with national, regional, and state associations representing the most common sources. Professional associations and/or those supported by members’ employers often meet on weekdays, while other associations prefer to hold events on weekends. The profile and revenue potential of associations varies depending on the group and the purpose of the meeting or event.

Sports tournaments, especially hockey teams, are a major source of meeting and group demand. Also, numerous weddings take place in the area in the summer. The prohibition on gatherings to stem the spread of the coronavirus will have a direct impact on meeting and group demand, which is expected to see a contraction of 35.0% in 2020. After the pandemic has run its course, meeting and group demand is expected to resume; strong growth of 40.0% is projected for meeting and group demand in 2021 with additional growth of 10.0% in 2022. Based on the past performance of the market, stable base growth of 3.0% per year is projected thereafter.
Leisure demand consists of individuals and families spending time in an area or passing through en route to other destinations. Travel purposes include sightseeing, recreation, or visiting friends and relatives. Leisure demand also includes room nights booked through Internet sites such as Expedia, Hotels.com, and Priceline; however, leisure may not be the purpose of the stay. This demand may also include business travelers and group and convention attendees who use these channels to take advantage of any discounts that may be available on these sites. Leisure demand is strongest on Friday and Saturday nights and all week during holiday periods and the summer months. These peak periods represent the inverse of commercial visitation trends, underscoring the stabilizing effect of capturing weekend and summer tourist travel. Future leisure demand is related to the overall economic health of the region and the nation. Trends showing changes in state and regional unemployment and disposable personal income correlate strongly with leisure travel levels.

Summertime activities, such as getaways to Prince Edward County, and the winter ones, such as ice fishing, are major sources of leisure demand for the market. Leisure demand is expected to contract by 5.0% in 2020 because the COVID-19 pandemic has brought leisure travel to a halt. Leisure demand is expected to recover with projected growth of 5.0% in 2021, and 4.0% in 2022. Based on the past performance of the market, stable base growth of 2.0% per year is projected thereafter.

Latent Demand
A table presented earlier in this section illustrated the accommodated room-night demand in the proposed subject hotel’s competitive market. Because this estimate is based on historical occupancy levels, it includes only those hotel rooms that were used by guests. Latent demand is potential room-night demand that the existing competitive supply has not realized. Latent demand is further classified as either unaccommodated demand or induced demand.

Unaccommodated Demand
Unaccommodated demand refers to individuals who are unable to secure accommodations in the market because all the local hotels are filled. These travellers must defer their trips, settle for less desirable accommodations, or stay at properties located outside the market area. Because this demand did not yield occupied room nights, it is not included in the estimate of historical accommodated room-night demand. If additional lodging facilities are expected to enter the market, it is reasonable to assume that these guests will be able to secure hotel rooms in the future; it is therefore necessary to quantify this demand.

Unaccommodated demand is further indicated if the market is at all seasonal with distinct high and low seasons. Such seasonality indicates that the market sells out certain nights during the year even though the year-end occupancy may not average in excess of 70%.
To evaluate the incidence of unaccommodated demand in the market, we reviewed the average occupancy by the night of the week for the past 12 months as reflected in the STR data for the competitive market. This information is set forth in the following table.

**FIGURE 4-22  MARKET-WIDE OCCUPANCY BY NIGHT OF THE WEEK**

<table>
<thead>
<tr>
<th>Month</th>
<th>Sunday %</th>
<th>Monday %</th>
<th>Tuesday %</th>
<th>Wednesday %</th>
<th>Thursday %</th>
<th>Friday %</th>
<th>Saturday %</th>
<th>Total Month %</th>
</tr>
</thead>
<tbody>
<tr>
<td>May - 19</td>
<td>37.8</td>
<td>55.5</td>
<td>70.7</td>
<td>69.2</td>
<td>67.2</td>
<td>55.8</td>
<td>70.5</td>
<td>61.3</td>
</tr>
<tr>
<td>Jun - 19</td>
<td>45.8</td>
<td>65.3</td>
<td>78.7</td>
<td>78.4</td>
<td>66.5</td>
<td>70.0</td>
<td>78.1</td>
<td>68.5</td>
</tr>
<tr>
<td>Jul - 19</td>
<td>54.9</td>
<td>75.6</td>
<td>86.8</td>
<td>87.7</td>
<td>75.0</td>
<td>84.0</td>
<td>98.1</td>
<td>80.6</td>
</tr>
<tr>
<td>Aug - 19</td>
<td>64.9</td>
<td>83.6</td>
<td>93.1</td>
<td>89.9</td>
<td>83.6</td>
<td>92.7</td>
<td>98.9</td>
<td>87.2</td>
</tr>
<tr>
<td>Sep - 19</td>
<td>49.2</td>
<td>63.5</td>
<td>77.1</td>
<td>75.5</td>
<td>75.2</td>
<td>71.4</td>
<td>92.1</td>
<td>70.9</td>
</tr>
<tr>
<td>Oct - 19</td>
<td>33.8</td>
<td>48.4</td>
<td>63.8</td>
<td>61.2</td>
<td>57.9</td>
<td>66.6</td>
<td>81.4</td>
<td>59.2</td>
</tr>
<tr>
<td>Nov - 19</td>
<td>25.4</td>
<td>53.1</td>
<td>61.0</td>
<td>61.8</td>
<td>48.4</td>
<td>54.7</td>
<td>61.4</td>
<td>52.7</td>
</tr>
<tr>
<td>Dec - 19</td>
<td>25.3</td>
<td>41.8</td>
<td>48.1</td>
<td>49.7</td>
<td>40.6</td>
<td>37.0</td>
<td>42.4</td>
<td>40.5</td>
</tr>
<tr>
<td>Jan - 20</td>
<td>21.6</td>
<td>47.5</td>
<td>54.5</td>
<td>46.1</td>
<td>42.8</td>
<td>44.8</td>
<td>46.8</td>
<td>43.6</td>
</tr>
<tr>
<td>Feb - 20</td>
<td>52.7</td>
<td>73.2</td>
<td>84.6</td>
<td>82.5</td>
<td>77.1</td>
<td>70.3</td>
<td>63.6</td>
<td>71.7</td>
</tr>
<tr>
<td>Mar - 20</td>
<td>42.2</td>
<td>60.8</td>
<td>63.6</td>
<td>66.2</td>
<td>61.6</td>
<td>54.1</td>
<td>50.7</td>
<td>56.9</td>
</tr>
<tr>
<td>Apr - 20</td>
<td>23.0</td>
<td>31.9</td>
<td>33.6</td>
<td>34.3</td>
<td>30.5</td>
<td>23.7</td>
<td>22.5</td>
<td>28.8</td>
</tr>
<tr>
<td>Average</td>
<td>39.7</td>
<td>58.5</td>
<td>67.7</td>
<td>66.2</td>
<td>60.1</td>
<td>60.5</td>
<td>67.9</td>
<td>60.1</td>
</tr>
</tbody>
</table>

Source: STR

The peak season for the market runs from July to September, during which the average monthly occupancy exceeds 70% and the nightly occupancy runs above 90% on most Fridays and Saturdays. In our estimation, there is unaccommodated demand in this market from June to October, when leisure demand is very strong.

The following table shows, according to market segment, the amount of unaccommodated demand that we estimate was present in the market in the base year.

**FIGURE 4-23  UNACCOMMODATED DEMAND ESTIMATE (BASE YEAR)**

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Accommodated Room Night Demand</th>
<th>Unaccommodated Demand Percentage</th>
<th>Unaccommodated Room Night Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>40,947</td>
<td>0.4 %</td>
<td>144</td>
</tr>
<tr>
<td>Meeting and Group</td>
<td>6,954</td>
<td>21.5</td>
<td>1,492</td>
</tr>
<tr>
<td>Leisure</td>
<td>19,855</td>
<td>25.2</td>
<td>4,995</td>
</tr>
<tr>
<td>Total</td>
<td>67,756</td>
<td>9.8 %</td>
<td>6,630</td>
</tr>
</tbody>
</table>
Based on our analysis of monthly and weekly peak demand and sell-out trends, we estimate the amount of unaccommodated demand present in the market to be equal to 9.8% of the demand that was accommodated in the base year.

**Induced Demand**

Induced demand represents the additional room nights that the introduction of a new demand generator is expected to attract to the market. Situations that can induce demand include the opening of a new manufacturing plant, the expansion of a convention centre, or the addition of a new hotel with a distinctive chain affiliation or unique facilities.

The opening of new lodging supply is expected to induce demand into the market. The amount of demand that the proposed subject hotel induces into the market is expected to differ slightly based on the selected location. As such, we have developed separate induced demand projections for each site scenario.

Our projection of induced demand by market segment for each site scenario is summarized in the following tables.

**FIGURE 4-24  INDUCED DEMAND PROJECTION BY SEGMENT – SCENARIO 1 (ELIZABETH STREET)**

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>329</td>
<td>1,995</td>
<td>2,446</td>
<td>2,672</td>
<td>4,130</td>
<td>4,616</td>
<td>4,616</td>
<td>4,616</td>
</tr>
<tr>
<td>Meeting and Group</td>
<td>40</td>
<td>244</td>
<td>300</td>
<td>327</td>
<td>619</td>
<td>716</td>
<td>716</td>
<td>716</td>
</tr>
<tr>
<td>Leisure</td>
<td>94</td>
<td>570</td>
<td>699</td>
<td>763</td>
<td>2,124</td>
<td>2,577</td>
<td>2,577</td>
<td>2,577</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>464</td>
<td>2,809</td>
<td>3,445</td>
<td>3,762</td>
<td>6,872</td>
<td>7,909</td>
<td>7,909</td>
<td>7,909</td>
</tr>
</tbody>
</table>

**FIGURE 4-25  INDUCED DEMAND PROJECTION BY SEGMENT – SCENARIO 2 (HIGHWAY LOCATION)**

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>329</td>
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<td>2,446</td>
<td>2,672</td>
<td>5,199</td>
<td>6,041</td>
<td>6,041</td>
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<tr>
<td>Meeting and Group</td>
<td>40</td>
<td>244</td>
<td>300</td>
<td>327</td>
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<tr>
<td>Leisure</td>
<td>94</td>
<td>570</td>
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<td>1,638</td>
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<tr>
<td><strong>Total</strong></td>
<td>464</td>
<td>2,809</td>
<td>3,445</td>
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<td>7,455</td>
<td>8,686</td>
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</table>
Based on our review of induced demand projection by segment for all three scenarios, a hotel with highway visibility in this market area is expected to attract more rubber tire traffic demand and result in inducing higher demand, as shown in scenario 2, when compared to the other scenarios.

Based on our review of the market dynamics in the proposed subject hotel’s competitive environment, we projected growth rates for each market segment. Using the calculated potential demand for the market, we also determined the market-wide accommodated demand based on the inherent limitations of demand fluctuations and other factors in the market area.

The following tables detail our projection of lodging demand growth for the subject market, including the total number of occupied room nights and any residual unaccommodated demand in the market. Because the amount of induced demand is expected to vary depending on where the subject site is located, we have developed separate projections of market-wide occupancy for each site scenario.
### FIGURE 4-27 FORECAST OF MARKET-WIDE OCCUPANCY – SCENARIO 1 (ELIZABETH STREET)

<table>
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<tr>
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<td>40,947</td>
<td>28,663</td>
<td>38,695</td>
<td>41,017</td>
<td>42,247</td>
<td>43,515</td>
<td>44,820</td>
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<tr>
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<td>101</td>
<td>136</td>
<td>144</td>
<td>148</td>
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<td>157</td>
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<td>1,995</td>
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<td>3.8 %</td>
<td>2.7 %</td>
<td>2.7 %</td>
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<td>1,357</td>
<td>1,493</td>
<td>1,523</td>
<td>1,554</td>
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<td>4,982</td>
<td>5,181</td>
<td>5,337</td>
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<td>5,662</td>
<td>5,832</td>
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<td>1.9 %</td>
<td>1.9 %</td>
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<td>72,609</td>
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<td>3,964</td>
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<td>3,964</td>
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<td>6.4 %</td>
<td>3.2 %</td>
<td>10.6 %</td>
<td>5.0 %</td>
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<td>55.3 %</td>
<td>55.4 %</td>
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<td><strong>Market-wide Occupancy</strong></td>
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1 Opening in April 2024 of the 100%-competitive, 60-room Proposed Subject Property
2 Opening in October 2020 of the 50%-competitive, 101-room Proposed Hampton Inn & Suites Belleville
### FIGURE 4-28 FORECAST OF MARKET-WIDE OCCUPANCY – SCENARIO 2 (HIGHWAY LOCATION)

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<tr>
<td>Base Demand</td>
<td>40,947</td>
<td>28,663</td>
<td>38,695</td>
<td>41,017</td>
<td>42,247</td>
<td>43,515</td>
<td>44,820</td>
<td>46,165</td>
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<tr>
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<td>101</td>
<td>136</td>
<td>144</td>
<td>148</td>
<td>153</td>
<td>157</td>
<td>162</td>
<td>167</td>
</tr>
<tr>
<td>Induced Demand</td>
<td>329</td>
<td>1,995</td>
<td>2,446</td>
<td>2,672</td>
<td>3,199</td>
<td>6,041</td>
<td>6,041</td>
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<td>3.3 %</td>
<td>8.4 %</td>
<td>4.4 %</td>
<td>2.6 %</td>
<td>2.7 %</td>
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<tr>
<td><strong>Meeting and Group</strong></td>
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<tr>
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<td>7,387</td>
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<td>1,357</td>
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<tr>
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<td>94</td>
<td>244</td>
<td>300</td>
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<td>10.4 %</td>
<td>2.2 %</td>
<td>5.2 %</td>
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<td>619</td>
<td>716</td>
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<td>7,303</td>
<td>7,404</td>
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<td>3.2 %</td>
<td>11.3 %</td>
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<td></td>
</tr>
<tr>
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<td>55.1 %</td>
<td>55.3 %</td>
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<td>56.0 %</td>
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<td>56.2 %</td>
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<tr>
<td>Meeting and Group</td>
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<td>10.7 %</td>
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<td>29.3 %</td>
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<td>33.3 %</td>
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<tr>
<td>Total Supply</td>
<td>314</td>
<td>326</td>
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<td>364</td>
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<td>364</td>
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<tr>
<td>Rooms Supply Growth</td>
<td>10.1 %</td>
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<td>0.0 %</td>
<td>12.4 %</td>
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<tr>
<td><strong>Market-wide Occupancy</strong></td>
<td>59.2 %</td>
<td>44.6 %</td>
<td>53.1 %</td>
<td>56.5 %</td>
<td>58.3 %</td>
<td>57.7 %</td>
<td>58.5 %</td>
<td>59.8 %</td>
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</tr>
</tbody>
</table>

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1. Opening in April 2024 of the 100%-competitive, 60-room Proposed Subject Property
2. Opening in October 2020 of the 50%-competitive, 101-room Proposed Hampton Inn & Suites Belleville
### FIGURE 4-29  FORECAST OF MARKET-WIDE OCCUPANCY – SCENARIO 3 (WATERFRONT LOCATION)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Demand</td>
<td>40,947</td>
<td>28,663</td>
<td>38,695</td>
<td>41,017</td>
<td>42,247</td>
<td>43,515</td>
<td>44,820</td>
<td>46,165</td>
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<tr>
<td>Unaccommodated Demand</td>
<td>144</td>
<td>101</td>
<td>136</td>
<td>144</td>
<td>148</td>
<td>153</td>
<td>157</td>
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<tr>
<td>Induced Demand</td>
<td>41,091</td>
<td>29,093</td>
<td>40,825</td>
<td>43,607</td>
<td>46,067</td>
<td>47,797</td>
<td>49,593</td>
<td>50,942</td>
<td>52,332</td>
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<tr>
<td>Growth Rate</td>
<td>(29.2) %</td>
<td>40.3 %</td>
<td>6.8 %</td>
<td>3.3 %</td>
<td>6.1 %</td>
<td>3.8 %</td>
<td>2.7 %</td>
<td>2.7 %</td>
<td></td>
</tr>
<tr>
<td><strong>Meeting and Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Base Demand</td>
<td>6,954</td>
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<td>7,242</td>
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<tr>
<td>Unaccommodated Demand</td>
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<td>970</td>
<td>1,357</td>
<td>1,493</td>
<td>1,523</td>
<td>1,554</td>
<td>1,585</td>
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</tr>
<tr>
<td>Induced Demand</td>
<td>8,446</td>
<td>5,530</td>
<td>7,930</td>
<td>8,754</td>
<td>8,950</td>
<td>9,414</td>
<td>9,687</td>
<td>10,050</td>
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</tr>
<tr>
<td>Growth Rate</td>
<td>(34.5) %</td>
<td>43.4 %</td>
<td>10.4 %</td>
<td>2.2 %</td>
<td>5.2 %</td>
<td>2.9 %</td>
<td>1.9 %</td>
<td>1.9 %</td>
<td></td>
</tr>
<tr>
<td><strong>Leisure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Base Demand</td>
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<td>18,862</td>
<td>19,805</td>
<td>20,598</td>
<td>21,216</td>
<td>21,852</td>
<td>22,508</td>
<td>23,183</td>
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<tr>
<td>Unaccommodated Demand</td>
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<td>4,745</td>
<td>4,982</td>
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<td>5,337</td>
<td>5,497</td>
<td>5,662</td>
<td>5,832</td>
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<td>23,701</td>
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<td>27,316</td>
<td>29,862</td>
<td>31,265</td>
<td>32,110</td>
<td>32,981</td>
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<tr>
<td>Growth Rate</td>
<td>(4.6) %</td>
<td>7.0 %</td>
<td>4.4 %</td>
<td>3.2 %</td>
<td>9.3 %</td>
<td>4.7 %</td>
<td>2.7 %</td>
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<td><strong>Totals</strong></td>
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<tr>
<td>Base Demand</td>
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<td>52,045</td>
<td>64,828</td>
<td>68,575</td>
<td>70,563</td>
<td>72,609</td>
<td>74,715</td>
<td>76,882</td>
<td>79,113</td>
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<tr>
<td>Unaccommodated Demand</td>
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<td>5,815</td>
<td>6,475</td>
<td>6,819</td>
<td>7,008</td>
<td>7,203</td>
<td>7,404</td>
<td>7,610</td>
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<td>Induced Demand</td>
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<td>58,324</td>
<td>74,112</td>
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<td>81,333</td>
<td>83,703</td>
<td>85,945</td>
<td>92,919</td>
<td>95,363</td>
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<td>Total Demand</td>
<td></td>
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<td></td>
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<tr>
<td>Less: Residual Demand</td>
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<td>3,702</td>
<td>3,805</td>
<td>964</td>
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<td>481</td>
<td>845</td>
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<tr>
<td>Total Accommodated Demand</td>
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<td>77,528</td>
<td>80,108</td>
<td>90,419</td>
<td>92,439</td>
<td>94,517</td>
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<tr>
<td>Overall Demand Growth</td>
<td>3.2 %</td>
<td>(21.5) %</td>
<td>32.8 %</td>
<td>6.4 %</td>
<td>3.2 %</td>
<td>11.1 %</td>
<td>5.0 %</td>
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<td><strong>Market Mix</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Commercial</td>
<td>60.4 %</td>
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<td>55.1 %</td>
<td>55.3 %</td>
<td>55.4 %</td>
<td>54.9 %</td>
<td>54.8 %</td>
<td>54.8 %</td>
<td>54.9 %</td>
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<tr>
<td>Meeting and Group</td>
<td>10.3 %</td>
<td>9.5 %</td>
<td>10.7 %</td>
<td>11.1 %</td>
<td>11.0 %</td>
<td>10.8 %</td>
<td>10.7 %</td>
<td>10.6 %</td>
<td>10.5 %</td>
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<tr>
<td>Leisure</td>
<td>29.3 %</td>
<td>40.6 %</td>
<td>34.2 %</td>
<td>33.6 %</td>
<td>33.6 %</td>
<td>34.3 %</td>
<td>34.5 %</td>
<td>34.6 %</td>
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<tr>
<td><strong>Existing Hotel Supply</strong></td>
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<tr>
<td>Proposed Subject Property</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td>314</td>
</tr>
<tr>
<td>Proposed Hampton Inn &amp; Suites Belleville</td>
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<td>51</td>
<td>51</td>
<td>51</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Nights per Year</td>
<td>114,519</td>
<td>119,165</td>
<td>132,951</td>
<td>132,951</td>
<td>132,951</td>
<td>149,451</td>
<td>154,851</td>
<td>154,851</td>
<td>154,851</td>
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<td>365</td>
<td>365</td>
<td>365</td>
<td>365</td>
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<tr>
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<td>364</td>
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<td>364</td>
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<td>424</td>
<td>424</td>
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<td>Market-wide Occupancy</td>
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<td>53.1 %</td>
<td>56.5 %</td>
<td>58.3 %</td>
<td>57.6 %</td>
<td>58.4 %</td>
<td>59.7 %</td>
<td>61.0 %</td>
</tr>
</tbody>
</table>

1. Opening in April 2024 of the 100%-competitive, 60-room Proposed Subject Property
2. Opening in October 2020 of the 50%-competitive, 101-room Proposed Hampton Inn & Suites Belleville
The World Health Organization (WHO) officially declared COVID-19 a global pandemic on March 11, 2020. At that time, travel restrictions for entry into Canada were implemented. The pandemic has led to global economic disruptions. Cities and countries have implemented lockdowns and social-distancing measures to slow the spread of the disease, causing a severe reduction in economic activity. For the hospitality industry, the travel restrictions and the cancellation of events and conferences have caused a sharp drop in lodging demand.

The COVID-19 crisis began affecting the local lodging market in April 2020. Weak demand levels are expected to continue through the summer, with recovery beginning in fall. The drop in demand that is projected for 2020 reflects this sentiment. Based on the travel patterns from prior pandemics, however, demand is expected to rebound over the next several years. The heightened demand growth rates that are projected to begin in 2021 reflect this expectation. The impact is expected to be relatively short (three to six months), and the recovery is expected to span 12 to 24 months.

Since Brighton, Belleville, and Trenton are tertiary markets that do not capture a large volume of international demand, they will be less impacted by COVID-19. A further occupancy decline would have been forecasted for 2020, however, due to two non-recurring events, that were described earlier in the report; the CN Rail; Track protests and the Trenton base quarantine period, positively impacted the market area during the month of February 2020. Local demand is projected to gradually return as government restrictions are lifted.
5. Description of the Proposed Improvements

The quality of a lodging facility’s physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the proposed recommended physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

Project Overview

Based on our findings, we recommend the proposed subject hotel to have 60 rooms and to be associated with an internationally recognized midscale/upper-midscale brand, such as a Comfort Inn, a Best Western, a Super 8, or a Park Inn. We recommend that the amenities include a breakfast dining area, an indoor swimming pool, a fitness room, business centre, a market pantry, vending areas and a guest laundry area. We recommend the proposed subject hotel to contain the appropriate parking capacity (60 surface stalls) and all the necessary back-of-the-house space. We recommend that the 3-storey property will open on April 1, 2024.

We have presented some prototypical images for a Best Western below as our revenue projections reflect a property of similar product quality.
The proposed subject property’s development representatives did not specify any details regarding the proposed facilities. The following table summarizes the facilities that we recommend be available at the proposed subject hotel.
FIGURE 5-1  PROPOSED FACILITIES SUMMARY

<table>
<thead>
<tr>
<th>Guestroom Configuration</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard King</td>
<td>TBA</td>
</tr>
<tr>
<td>Standard Double Queen</td>
<td>TBA</td>
</tr>
<tr>
<td>King Suite</td>
<td>TBA</td>
</tr>
<tr>
<td>Double Queen Suite</td>
<td>TBA</td>
</tr>
<tr>
<td>Accessible King</td>
<td>TBA</td>
</tr>
<tr>
<td>Accessible Double Queen</td>
<td>TBA</td>
</tr>
<tr>
<td>Accessible King Suite</td>
<td>TBA</td>
</tr>
<tr>
<td>Accessible Double Queen</td>
<td>TBA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Food &amp; Beverage Facilities</th>
<th>Seating Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast Dining Area</td>
<td>±25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indoor Meeting Facilities</th>
<th>Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting Room</td>
<td>±600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amenities &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indoor Swimming Pool</td>
</tr>
<tr>
<td>Fitness Room</td>
</tr>
<tr>
<td>Business Centre</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Spaces:</td>
</tr>
<tr>
<td>Elevators:</td>
</tr>
<tr>
<td>Life-Safety Systems:</td>
</tr>
<tr>
<td>Construction Details:</td>
</tr>
</tbody>
</table>

Once guests enter the site, ample parking will be available on the surface lot surrounding the hotel building. The site improvements should include freestanding signage; additional signage should be placed on the exterior of the building. We recommend that the signage will adequately identify the property and meet brand standards. The landscaping should allow for a positive guest impression and a competitive exterior appearance. Sidewalks should be present along the front entrance and around the hotel building. These site improvements would be adequate for a property of this type. Construction details were not provided for our review. Stairways and an elevator should provide internal vertical transportation within the structure. We recommend that all structural components will meet local building codes and that no significant defaults will occur during construction that would affect the future operating potential of the hotel or delay the assumed opening date.
Guests should enter the hotel through two sets of automatic doors separated by a vestibule. The lobby should be large and appropriate for a branded limited-service hotel. The lobby walls should be attractively finished with material that is in line with the standards of the brand and the Brighton-area market. The front desk should feature a stone or glass countertop. We assume that all property management and telephone systems, as well as other technology, will be appropriately installed for the effective management of hotel operations. The furnishings and finishes in this space should offer an appropriate first impression; the design of the space should foster adequate efficiency. The specific design concept will be finalized with input from the brand that is secured for the proposed subject hotel.

**TYPICAL BEST WESTERN PLUS LOBBY**

The breakfast dining area will likely be situated opposite the front desk in the lobby. The size and the layout should be appropriate for the hotel. The furnishings in this space are expected to be similar in style and finish to those in the lobby and the guestrooms.
We recommend that the proposed subject hotel offer 600 square feet of meeting space. This complement of meeting space is typical of what a limited-service hotel would offer; however, this is considered appropriate in the context of the proposed subject hotel’s location and expected demand segmentation.

For recreational facilities, we recommend the proposed subject hotel to offer an indoor pool and a fitness area. Restrooms should be present off of the pool area.

The proposed subject hotel should also offer a market pantry, a business centre, and a guest laundry room. Vending and ice machines should be located on all guestroom floors. These supporting facilities are appropriate for a limited-service hotel of this type, and we assume that they will meet brand standards.

We recommend the proposed subject hotel to feature standard guestroom configurations. The guestrooms should offer the typical amenities for this product type. In addition to the standard furnishings, the guestrooms should feature an iron and an ironing board, a coffee maker, and high-speed Internet access. Overall, the guestrooms should be a competitive product in the Brighton market area.
We recommend the guestroom bathrooms to be the standard size and to have a shower-in-tub or a separate shower and tub fixtures, as well as a commode and a double sink with a vanity area featuring a stone countertop. The floors should be finished with tile, and the walls should be finished with material that is in line with brand standards. We recommend that the bathroom amenities include a hairdryer and complimentary toiletries. Overall, this bathroom design is appropriate for a product of this type.

We recommend that the guestroom corridors will be wide and functional, permitting the easy passage of housekeeping carts. We recommend that the corridor flooring, signage, and lighting be in keeping with the overall look and design of the rest of the property.

Environmental

We assume that the proposed subject property will be built in accordance with all pertinent codes and brand standards and that no environmental hazards (such as mould) will be created during construction.

Capital Expenditures

Our analysis recommends that the proposed subject hotel will require ongoing upgrades and periodic renovations after opening to maintain its competitive level in this market and remain compliant with brand standards.

Conclusion

The overall layout of support areas and guestrooms at the proposed subject property should be well designed and functional. All typical and market-appropriate features and amenities are expected to be included in the hotel's design. We recommend that the building will be fully open and operational on the specified opening date and that all local building codes and brand standards will be met. In addition, we recommend that the hotel staff will be adequately trained to allow for a successful opening and that pre-marketing efforts will have introduced the product to major local accounts at least six months in advance of the opening date.
Along with average rate results, the occupancy levels that a hotel achieves are the foundation of the property's financial performance and market value. Most of a lodging facility's other revenue sources (such as food and beverage, other operated departments, and miscellaneous income) are driven by the number of guests, and many expense levels also vary with occupancy. To a certain degree, occupancy attainment can be manipulated through management. For example, hotel operators may choose to lower rates in an effort to maximize occupancy. Our forecasts reflect an operating strategy that we believe a typical professional hotel management team would implement to achieve an optimal mix of occupancy and average room rate.

The occupancy forecast for the proposed subject hotel in Scenario 1 is set forth as follows. In this scenario, the proposed subject hotel is assumed to occupy the site located on Elizabeth Street. Projected penetration rates are used as a basis for calculating the amount of captured market demand.
For this scenario, the occupancy penetration performance is projected separately for each segment:

- Within the commercial segment, the proposed subject hotel is projected to stabilize capturing slightly more than its fair share of demand. Given the location on Elizabeth Street, the proposed subject hotel will be close to the city centre and in proximity to local businesses. The proposed subject hotel will be approximately 24 kilometres south of Highway 401, and the quality of the product and the brand will make the proposed subject hotel attractive to this segment.
• Within the meeting and group segment, the proposed subject hotel is projected to stabilize capturing more than its fair share of demand. The proposed subject hotel will not be able to compete for large groups because of its limited meeting facilities, but it will be attractive to small corporate and leisure groups. In addition, the proposed subject hotel in this location will benefit from being near the King Edward Park Arena.

• The proposed subject hotel is projected to stabilize capturing is fair share of leisure demand due to its distance from Prince Edward County; it is not as easily accessible from Highway 401 compared to some of the hotels located in Trenton and Belleville. The proposed subject hotel will offer complimentary breakfast, an indoor swimming pool, and a fitness centre, amenities that appeal to leisure travellers. Tourism is the major driver of economic activity in the market area.

These positioned segment penetration rates result in the following market segmentation forecast.

<table>
<thead>
<tr>
<th>FIGURE 6-2</th>
<th>SCENARIO 1 SEGMENTATION FORECAST – PROPOSED SUBJECT PROPERTY ON ELIZABETH STREET</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>2025</td>
</tr>
<tr>
<td>Commercial</td>
<td>57 %</td>
</tr>
<tr>
<td>Meeting and Group</td>
<td>13</td>
</tr>
<tr>
<td>Leisure</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>100 %</td>
</tr>
</tbody>
</table>

2024 2025 2026 2027
Based on our analysis of the market area and the proposed subject hotel in Scenario 1, we have selected a stabilized occupancy level of 62%, assuming that the property is located on Elizabeth Street. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life given all the normal changes in the life cycle of the hotel. The stabilized occupancy thus excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that would result in unusually high or low occupancies. Although the proposed subject hotel may operate at occupancies above this stabilized level, we believe that it is equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability.

The following table shows the segmented average room rates that are positioned for the proposed subject hotel in Scenario 1 for the base year and the growth rates that are applied to each room rate through the stabilized year. As a context for the ADR growth factors, note that we have applied a base underlying inflation rate of 2.0% per year throughout the projection period.
The proposed subject hotel in Scenario 1 has been positioned with an ADR of $135.12. This rate is the closest to that of the Best Western Belleville. The proposed subject hotel's new-build quality, coupled with recommended amenities and the anticipated internationally recognized franchise affiliation, should support this rate positioning. The proposed subject hotel's ADR penetration level is projected to stabilize at 101.8%, however, the proposed subject hotel is not expected to offer rates comparable to the Fairfield by Marriott Belleville, Holiday Inn Express Hotel & Suites Belleville and Towneplace Suites by Marriott Belleville. Based on our discussion with local management and ownership, comparable hotels in Belleville can charge a rate premium of approximately $20 than properties in Trenton. This is a result of Belleville's proximity to Prince Edward County as well as its wider offering of supporting amenities, including a casino and a variety of major chain restaurants.

The demand in this market is highly seasonal. Given the strong level of demand during the summer months, as well as on select weekends throughout the year, hoteliers are able to achieve very high rates during the peak periods.
Summary of Projections in Fiscal Years – Scenario 1

The following table summarizes the projected occupancy, ADR, and RevPAR performance of the proposed subject property in Scenario 1 through the first three years of operation. This forecast is adjusted to reflect fiscal years beginning on April 1, 2024, the date on which the proposed subject hotel is assumed to open.

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupancy</th>
<th>Average Rate</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024/25</td>
<td>54 %</td>
<td>$138.75</td>
<td>$74.93</td>
</tr>
<tr>
<td>2025/26</td>
<td>58</td>
<td>$141.76</td>
<td>82.22</td>
</tr>
<tr>
<td>2026/27</td>
<td>62</td>
<td>$144.71</td>
<td>89.72</td>
</tr>
</tbody>
</table>
7. Projection of Occupancy and ADR – Scenario 2

Scenario 2 Occupancy Forecast – Proposed Subject Hotel

The occupancy forecast for the proposed subject hotel in Scenario 2 is set forth as follows. In this scenario, the proposed subject hotel is assumed to occupy an unspecified highway location in Brighton. Projected penetration rates are used as a basis for calculating the amount of captured market demand.

FIGURE 7-1 SCENARIO 2 OCCUPANCY FORECAST – PROPOSED SUBJECT HOTEL IN HIGHWAY LOCATION

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>48,845</td>
<td>50,941</td>
<td>52,119</td>
<td>53,332</td>
</tr>
<tr>
<td>Market Share</td>
<td>12.6 %</td>
<td>16.6 %</td>
<td>17.1 %</td>
<td>17.1 %</td>
</tr>
<tr>
<td>Capture</td>
<td>6,146</td>
<td>8,455</td>
<td>8,937</td>
<td>9,145</td>
</tr>
<tr>
<td>Penetration</td>
<td>114 %</td>
<td>117 %</td>
<td>121 %</td>
<td>121 %</td>
</tr>
<tr>
<td>Meeting and Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>9,206</td>
<td>9,672</td>
<td>9,818</td>
<td>9,966</td>
</tr>
<tr>
<td>Market Share</td>
<td>11.5 %</td>
<td>15.3 %</td>
<td>15.8 %</td>
<td>15.8 %</td>
</tr>
<tr>
<td>Capture</td>
<td>1,055</td>
<td>1,475</td>
<td>1,555</td>
<td>1,578</td>
</tr>
<tr>
<td>Penetration</td>
<td>104 %</td>
<td>108 %</td>
<td>112 %</td>
<td>112 %</td>
</tr>
<tr>
<td>Leisure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>28,251</td>
<td>30,032</td>
<td>30,728</td>
<td>31,445</td>
</tr>
<tr>
<td>Market Share</td>
<td>9.4 %</td>
<td>13.4 %</td>
<td>14.6 %</td>
<td>14.6 %</td>
</tr>
<tr>
<td>Capture</td>
<td>2,662</td>
<td>4,016</td>
<td>4,478</td>
<td>4,583</td>
</tr>
<tr>
<td>Penetration</td>
<td>85 %</td>
<td>95 %</td>
<td>103 %</td>
<td>103 %</td>
</tr>
<tr>
<td>Total Room Nights Captured</td>
<td>9,863</td>
<td>13,946</td>
<td>14,970</td>
<td>15,306</td>
</tr>
<tr>
<td>Available Room Nights</td>
<td>16,500</td>
<td>21,900</td>
<td>21,900</td>
<td>21,900</td>
</tr>
<tr>
<td>Subject Occupancy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 %</td>
<td>64 %</td>
<td>68 %</td>
<td>70 %</td>
<td></td>
</tr>
<tr>
<td>Market-wide Available Room Nights</td>
<td>149,451</td>
<td>154,851</td>
<td>154,851</td>
<td>154,851</td>
</tr>
<tr>
<td>Fair Share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 %</td>
<td>14 %</td>
<td>14 %</td>
<td>14 %</td>
<td></td>
</tr>
<tr>
<td>Market-wide Occupied Room Nights</td>
<td>86,303</td>
<td>90,645</td>
<td>92,665</td>
<td>94,743</td>
</tr>
<tr>
<td>Market Share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 %</td>
<td>15 %</td>
<td>16 %</td>
<td>16 %</td>
<td></td>
</tr>
<tr>
<td>Market-wide Occupancy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>58 %</td>
<td>59 %</td>
<td>60 %</td>
<td>61 %</td>
<td></td>
</tr>
<tr>
<td>Total Penetration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>104 %</td>
<td>109 %</td>
<td>114 %</td>
<td>114 %</td>
<td></td>
</tr>
</tbody>
</table>
For this scenario, the occupancy penetration performance is projected separately for each segment:

- Within the commercial segment, the proposed subject hotel is projected to stabilize capturing substantially more than its fair share of demand. The proposed subject hotel will be conveniently situated close to Highway 401, a major regional thoroughfare, and the brand-new quality of the product and anticipated affiliation with an internationally recognized brand will make the proposed subject hotel attractive to this segment.

- Within the meeting and group segment, the proposed subject hotel is projected to stabilize capturing more than its fair share of demand. The meeting space offering is expected to support the hotel’s occupancy during low winter season, as the property is expected to host corporate groups from the Greater Toronto Area. The proposed subject hotel will not be able to compete for large groups because of its limited meeting facilities, but it will be attractive to small corporate and leisure groups being the only branded hotel in Brighton.

- The proposed subject hotel is projected to stabilize capturing slightly more than its fair share of leisure demand. The proposed subject hotel will offer complimentary breakfast, an indoor swimming pool, and a fitness centre, amenities that appeal to leisure travellers. Visibility and accessibility from Highway 401 coupled with brand-new product offering would allow it to compete more favourably with hotels in Trenton and more in line with hotels in Belleville.

- These positioned segment penetration rates result in the following market segmentation forecast.

| FIGURE 7-2 SCENARIO 2 SEGMENTATION FORECAST – PROPOSED SUBJECT PROPERTY IN HIGHWAY LOCATION |
|-----------------------------------------------|---|---|---|---|
|                                      | 2024 | 2025 | 2026 | 2027 |
| Commercial                           | 62 %  | 61 %  | 60 %  | 60 %  |
| Meeting and Group                    | 11    | 11    | 10    | 10    |
| Leisure                              | 27    | 29    | 30    | 30    |
| Total                                | 100 % | 100 % | 100 % | 100 % |
Based on our analysis of the market area and the proposed subject hotel in Scenario 2, we have selected a stabilized occupancy level of 69%, assuming that the property is located at an unspecified highway location in Brighton. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life given all the normal changes in the life cycle of the hotel. The stabilized occupancy thus excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that would result in unusually high or low occupancies. Although the proposed subject hotel may operate at occupancies above this stabilized level, we believe that it is equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability.

The following table shows the segmented average room rates that are positioned for the proposed subject hotel in Scenario 2 for the base year and the growth rates that are applied to each room rate through the stabilized year. As a context for the ADR growth factors, note that we have applied a base underlying inflation rate of 2.0% per year throughout the projection period.
The proposed subject hotel in Scenario 2 has been positioned with an ADR of $134.98. This rate positioning is reasonable given the prime location along the main regional thoroughfare and the scope of the proposed amenities. This rate is the closest to that of the Best Western Belleville. The proposed subject hotel’s new-build quality, coupled with recommended amenities and the anticipated internationally recognized franchise affiliation, should support this rate positioning. The proposed subject hotel’s ADR penetration level is projected to stabilize at 101.7%, however, the proposed subject hotel is not expected to offer rates comparable to the Fairfield by Marriott Belleville, Holiday Inn Express Hotel & Suites Belleville and Towneplace Suites by Marriott Belleville. Based on our discussion with local management and ownership, comparable hotels in Belleville can charge a rate premium of approximately $20 than properties in Trenton. This is a result of Belleville’s proximity to Prince Edward County as well as its wider offering of supporting amenities, including a casino and a variety of major chain restaurants.

The demand in this market is highly seasonal. Given the strong level of demand during the summer months, as well as on select weekends throughout the year, hoteliers are able to achieve very high rates during the peak periods.
The following table summarizes the projected occupancy, ADR, and RevPAR performance of the proposed subject property in Scenario 2 through the first three years of operation. This forecast is adjusted to reflect fiscal years beginning on April 1, 2024, the date on which the proposed subject hotel is assumed to open.

**FIGURE 7-5 SCENARIO 2 - HIGHWAY LOCATION – OCCUPANCY, ADR, & REVPAR FORECAST IN FISCAL YEARS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupancy</th>
<th>Average Rate</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024/25</td>
<td>61 %</td>
<td>$138.66</td>
<td>$84.59</td>
</tr>
<tr>
<td>2025/26</td>
<td>65</td>
<td>141.62</td>
<td>92.06</td>
</tr>
<tr>
<td>2026/27</td>
<td>69</td>
<td>144.56</td>
<td>99.75</td>
</tr>
</tbody>
</table>
8. Projection of Occupancy and ADR – Scenario 3

Scenario 3 Occupancy Forecast – Proposed Subject Hotel

The occupancy forecast for the proposed subject hotel in Scenario 3 is set forth as follows. In this scenario, the proposed subject hotel is assumed to occupy an unspecified waterfront location in Brighton. Projected penetration rates are used as a basis for calculating the amount of captured market demand.

FIGURE 8-1 SCENARIO 3 OCCUPANCY FORECAST – PROPOSED SUBJECT HOTEL IN WATERFRONT LOCATION

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>47,776</td>
<td>49,533</td>
<td>50,715</td>
<td>51,932</td>
</tr>
<tr>
<td>Market Share</td>
<td>10.0 %</td>
<td>13.5 %</td>
<td>14.1 %</td>
<td>14.1 %</td>
</tr>
<tr>
<td>Capture</td>
<td>4,800</td>
<td>6,702</td>
<td>7,172</td>
<td>7,345</td>
</tr>
<tr>
<td>Penetration</td>
<td>91 %</td>
<td>96 %</td>
<td>100 %</td>
<td>100 %</td>
</tr>
<tr>
<td>Meeting and Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>9,206</td>
<td>9,675</td>
<td>9,821</td>
<td>9,969</td>
</tr>
<tr>
<td>Market Share</td>
<td>10.9 %</td>
<td>14.6 %</td>
<td>15.2 %</td>
<td>15.2 %</td>
</tr>
<tr>
<td>Capture</td>
<td>1,004</td>
<td>1,410</td>
<td>1,489</td>
<td>1,512</td>
</tr>
<tr>
<td>Penetration</td>
<td>99 %</td>
<td>103 %</td>
<td>107 %</td>
<td>107 %</td>
</tr>
<tr>
<td>Leisure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>29,126</td>
<td>31,211</td>
<td>31,903</td>
<td>32,615</td>
</tr>
<tr>
<td>Market Share</td>
<td>12.4 %</td>
<td>17.0 %</td>
<td>18.0 %</td>
<td>18.0 %</td>
</tr>
<tr>
<td>Capture</td>
<td>3,622</td>
<td>5,293</td>
<td>5,752</td>
<td>5,880</td>
</tr>
<tr>
<td>Penetration</td>
<td>113 %</td>
<td>120 %</td>
<td>127 %</td>
<td>127 %</td>
</tr>
</tbody>
</table>

Total Room Nights Captured: 9,427, 13,406, 14,413, 14,736
Available Room Nights: 16,500, 21,900, 21,900, 21,900

Subject Occupancy: 57 %, 61 %, 66 %, 67 %
Market-wide Available Room Nights: 149,451, 154,851, 154,851, 154,851
Fair Share: 11 %, 14 %, 14 %, 14 %
Market-wide Occupied Room Nights: 86,108, 90,419, 92,439, 94,517
Market Share: 11 %, 15 %, 16 %, 16 %
Market-wide Occupancy: 58 %, 58 %, 60 %, 61 %
Total Penetration: 99 %, 105 %, 110 %, 110 %
For this scenario, the occupancy penetration performance is projected separately for each segment:

- Within the commercial segment, the proposed subject hotel is projected to stabilize capturing its fair share of demand because it will be located more than 25 kilometres south of Highway 401, a major regional thoroughfare. The brand-new quality of the product and the anticipated affiliation with an internationally recognized brand will make the proposed subject hotel attractive to this segment.

- Within the meeting and group segment, the proposed subject hotel is projected to stabilize capturing more than its fair share of demand. The meeting space offering is expected to support the hotel’s occupancy during low winter season, as the property is expected to host corporate groups from the Greater Toronto Area. The proposed subject hotel will not be able to compete for large groups because of its limited meeting facilities, but it will be attractive to small corporate and leisure groups, being the only branded hotel in Brighton.

- The proposed subject hotel is projected to stabilize capturing substantially more than its fair share of leisure demand. The proposed subject hotel will be located on the waterfront, which is a competitive advantage over the other properties the market and it will offer complimentary breakfast, an indoor swimming pool, and a fitness centre, amenities that appeal to leisure travellers. Tourism is the major driver of economic activity in the market area, and the waterfront location will be a strong draw for leisure travellers.

These positioned segment penetration rates result in the following market segmentation forecast.

<table>
<thead>
<tr>
<th>FIGURE 8-2</th>
<th>SCENARIO 3 - SEGMENTATION FORECAST – PROPOSED SUBJECT PROPERTY IN WATERFRONT LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>2024</strong></td>
</tr>
<tr>
<td>Commercial</td>
<td>51 %</td>
</tr>
<tr>
<td>Meeting and Group</td>
<td>11</td>
</tr>
<tr>
<td>Leisure</td>
<td>38</td>
</tr>
<tr>
<td>Total</td>
<td>100 %</td>
</tr>
</tbody>
</table>
Based on our analysis of the market area and the proposed subject hotel in Scenario 3, we have selected a stabilized occupancy level of 66%, assuming that the property is located at an unspecified waterfront location in Brighton. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life given all the normal changes in the life cycle of the hotel. The stabilized occupancy thus excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that would result in unusually high or low occupancies. Although the proposed subject hotel may operate at occupancies above this stabilized level, we believe that it is equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability.
The following table shows the segmented average room rates that are positioned for the proposed subject hotel in Scenario 3 for the base year and the growth rates that are applied to each room rate through the stabilized year. As a context for the ADR growth factors, note that we have applied a base underlying inflation rate of 2.0% per year throughout the projection period.

### FIGURE 8-4  SCENARIO 3 AVERAGE RATE FORECAST – PROPOSED SUBJECT HOTEL IN WATERFRONT LOCATION

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate</td>
<td>$133.00</td>
<td>$106.40</td>
<td>$129.70</td>
<td>$133.59</td>
<td>$136.26</td>
<td>$138.99</td>
<td>$141.77</td>
<td>$144.60</td>
<td></td>
</tr>
<tr>
<td>Captured Room Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Rooms Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$654,099</td>
<td>$931,567</td>
<td>$1,016,834</td>
</tr>
<tr>
<td><strong>Meeting and Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate</td>
<td>$123.00</td>
<td>$98.40</td>
<td>$119.95</td>
<td>$123.55</td>
<td>$126.02</td>
<td>$128.54</td>
<td>$131.11</td>
<td>$133.73</td>
<td></td>
</tr>
<tr>
<td>Captured Room Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Rooms Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$126,527</td>
<td>$181,240</td>
<td>$195,225</td>
</tr>
<tr>
<td><strong>Leisure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Rate</td>
<td>$148.00</td>
<td>$118.40</td>
<td>$136.16</td>
<td>$144.33</td>
<td>$151.63</td>
<td>$154.67</td>
<td>$157.76</td>
<td>$160.91</td>
<td></td>
</tr>
<tr>
<td>Captured Room Nights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Rooms Revenue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$49,264</td>
<td>$818,660</td>
<td>$907,368</td>
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<tr>
<td>Average Rate</td>
<td>$137.97</td>
<td>$110.37</td>
<td>$126.93</td>
<td>$134.54</td>
<td>$138.58</td>
<td>$141.08</td>
<td>$144.08</td>
<td>$147.05</td>
<td>$150.00</td>
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<tr>
<td>Average Rate Penetration</td>
<td>104.0%</td>
<td>104.0%</td>
<td>104.0%</td>
<td>104.0%</td>
<td>104.0%</td>
<td>103.8%</td>
<td>103.9%</td>
<td>103.9%</td>
<td>104.0%</td>
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<tr>
<td><strong>Market-wide</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>ADR Growth</td>
<td>—</td>
<td>(20.0) %</td>
<td>15.0 %</td>
<td>6.0 %</td>
<td>3.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
<td>2.0 %</td>
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<tr>
<td><strong>Market-wide ADR</strong></td>
<td>$132.71</td>
<td>$106.17</td>
<td>$122.10</td>
<td>$129.42</td>
<td>$133.31</td>
<td>$135.97</td>
<td>$138.69</td>
<td>$141.47</td>
<td>$144.29</td>
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</tbody>
</table>

The proposed subject hotel in Scenario 3 has been positioned with an ADR of $137.97. The rate positioning in the leisure segment is $5 higher for this scenario compared to the first and second scenarios. This rate position is reasonable given the prime location on the waterfront and the scope of the proposed amenities. This rate is the closest to that of the Best Western Belleville. The proposed subject hotel’s new-build quality, coupled with recommended amenities and the anticipated internationally recognized franchise affiliation, should support this rate positioning. The proposed subject hotel’s ADR penetration level is projected to stabilize at 104.0%.
The demand in this market is highly seasonal. Given the strong level of demand during the summer months, as well as on select weekends throughout the year, hoteliers are able to achieve very high rates during the peak periods.

The following table summarizes the projected occupancy, ADR, and RevPAR performance of the proposed subject property in Scenario 3 through the first three years of operation. This forecast is adjusted to reflect fiscal years beginning on April 1, 2024, the date on which the proposed subject hotel is assumed to open.

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupancy</th>
<th>Average Rate</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024/25</td>
<td>58 %</td>
<td>$141.82</td>
<td>$82.26</td>
</tr>
<tr>
<td>2025/26</td>
<td>62</td>
<td>144.81</td>
<td>89.78</td>
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<tr>
<td>2026/27</td>
<td>66</td>
<td>147.78</td>
<td>97.53</td>
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9. Statement of Assumptions and Limiting Conditions

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA) and the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), as provided by the Appraisal Institute of Canada, and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person, and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable. This report is to be used in whole and not in part.

2. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed, and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and the expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only, and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute a title confirmation. Any information provided does not negate the need to retain a real estate lawyer, a surveyor, or other appropriate experts to verify matters of ownership and/or title.
3. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including but not limited to its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or a detailed property condition report; such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

4. The author is not qualified to comment on detrimental environmental, chemical, or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater, or air, which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical, and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical, and biological conditions that may affect the market value of the property appraised. If a party relying on the report requires information about or an assessment of detrimental environmental, chemical, or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical, or biological matters on the market value of the property.

5. We have made no survey of the property, and we assume no responsibility in connection with such matters. Sketches, photos, maps, and other exhibits are included to help the reader visualize the property. It is assumed that the use of the described real estate is within the boundaries of the property described and that there is no encroachment or trespass unless noted.
6. All information, financial operating statements, estimates, and opinions obtained from parties not employed by MM&R Valuation Services, Inc./Double R Consulting & Valuation Inc., are assumed true and correct. We can assume no liability resulting from misinformation.

7. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.

8. The property is assumed to be in full compliance with all applicable federal, provincial, local, and private codes, laws, consents, licences, and regulations (including the appropriate liquor licence if applicable), and it is assumed that all licences, permits, certificates, franchises, and so forth can be freely renewed or transferred to a purchaser.

9. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.

10. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.

11. We are not required to give testimony or attend court because of this analysis without previous arrangements, and we shall do so only when our standard per-diem fees and travel costs have been paid prior to the appearance.

12. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.

13. We take no responsibility for any events or circumstances that take place subsequent to either the date of value or the date of our field inspection, whichever occurs first.

14. The quality of a lodging facility’s on-site management has a direct effect on a property’s economic viability and value. The financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results and the value estimate.
15. The financial analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease because of market volatility and economic forces outside the control of the hotel’s management. We assume that the price of hotel rooms, food, beverages, and other sources of revenue to the hotel will be adjusted to offset any increases or decreases in related costs. We do not warrant that our estimates will be attained, but they have been developed based upon information obtained during the course of our market research, and they are intended to reflect the expectations of a typical hotel buyer as of the stated date(s) of valuation.

16. This analysis assumes continuation of all Canada Customs and Revenue Agency tax code provisions as stated or interpreted on either the date of value or the date of our field inspection, whichever occurs first.

17. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded to the nearest tenth of a percent. These figures may thus be subject to small rounding errors.

18. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client; the use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.

19. Although this analysis employs various mathematical calculations to provide value indications, the final estimate is subjective and may be influenced by our experience and other factors not specifically set forth in this report.

20. Any distribution of the total value between the land and improvements or between partial ownership interests applies only under the stated use. Moreover, separate allocations between components are not valid if this report is used in conjunction with any other analysis.
21. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.

22. The term “inspection” refers to observation only as defined by CUSPAP and reports of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.

23. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship, or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements, as this is beyond the professional expertise of the author.

24. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of CUSPAP and in accordance with the author's privacy policy. In accepting this report, the client agrees that it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with PIPEDA.

25. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
26. This report, its content, and all attachments/addendums and their content are the property of the author. The client, authorized users, and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part), screen scrape, database scrape, exploit, reproduce, decompile, reassemble, or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually, or by any other means whatsoever this appraisal report, addendum, all attachments, and the data contained within for any commercial, or other, use.

27. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting, and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service their debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

28. This study was prepared by MM&R Valuation Services, Inc./ Double R Consulting & Valuation Inc.. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of MM&R Valuation Services, Inc./ Double R Consulting & Valuation Inc., as employees, not as individuals.

29. This report in draft is unsigned. Until the report is finalized and carries a signature it is not valid and must not be relied upon.
10. Certification

The undersigned hereby certify that to the best of our knowledge and belief

1. the statements of fact presented in this report are true and correct;

2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and they are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;

3. we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;

4. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;

5. our engagement in this assignment was not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client;

6. we have the knowledge and experience to complete the assignment competently;

7. our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice;

8. Jingjianxiong 'Charlie' Shi, AACI, personally inspected the subject site described in this report; Jingjianxiong 'Charlie' Shi, AACI, and Devisha Khanna – Hadžić, AIC Candidate Member, participated in the research for this assignment, and assisted in the preparation of this report; Monique Rosszell, AACI, MRICS, ISHC, participated in the analysis and reviewed the findings but did not personally inspect the site;

9. no one provided significant professional assistance to the persons signing this report;

10. the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute of Canada;
11. the undersigned are all members in good standing of the Appraisal Institute of Canada; and

12. the undersigned have fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for members as of the date of this report.

Devisha Khanna – Hadžić, AIC Candidate Member
Associate
MM&R Valuation Services, Inc.

Jingjianxiong 'Charlie' Shi, AACI
Director
MM&R Valuation Services, Inc.

Monique Rosszell, AACI, MRICS, ISHC
Senior Managing Partner
MM&R Valuation Services, Inc.
Devisha Khanna - Hadžić

EMPLOYMENT

2019 to present
HVS
Associate
Toronto, ON

2014 to 2017
1 Hotels South Beach, Miami, Florida, United States
   Residences Manager, Pre-Opening, Operations and Development;
   Hotel Rental Program Manager

2011 to 2014
The Setai, Miami Beach, Florida, United States (Member of Leading Hotels of The World)
   Assistant Manager, Hotel & Residences;
   Residences Manager

2011
Mandarin Oriental Singapore, Singapore
   Rooms Division Operations

2010
Mandarin Oriental Hong Kong, Hong Kong
   Rooms Division Operations

2009
Mandarin Oriental, Geneva, Switzerland
   Food and Beverage Operations

PROFESSIONAL AFFILIATIONS

Appraisal Institute of Canada (AIC) – Candidate Member

EDUCATION

Florida International University, Miami, FL, United States
   Master of Science in Hospitality, Real Estate Development

Les Roches Global Hospitality Education, Chicago, IL, United States
   Kendall College, Chicago, IL, United States
   Bachelor of Arts in Hospitality Management, Major in Asset Management

The Glion Institute of Higher Education, Switzerland
   Glion Advanced Certificate in International Hospitality Management

Les Roches, Bluche, Switzerland
   Swiss Hotel Association (S.H.A) Diploma
   Degree of Associate of Business Administration in Food and Beverage Operations
Jingjianxiong (Charlie) Shi

EMPLOYMENT

2015 to present
HVS
Director
Toronto, ON

2011 to 2014
Various Hotel Operational Positions, Houston, New York City, Beijing

PROFESSIONAL AFFILIATIONS
Appraisal Institute of Canada (AIC) – AACI
Chartered Financial Analyst (CFA) - Candidate Member

EDUCATION
Ryerson University,
Ted Rogers School of Management
Master of Business Administration (MBA)

University of Houston,
Conrad N. Hilton College
Master of Science in Hospitality Management

ARTICLES AND PUBLICATION
“In Focus: Niagara Falls Area, Ontario, Canada”, December 2016
“Market Pulse: Toronto Airport Strip, Ontario, Canada” October 2017
EXAMPLES OF CORPORATE AND INSTITUTIONAL CLIENTS SERVED

Atlas Corporation
Atlas Development
Aurora Hotel Group
Barney River
Brock Hotels
Broughton Capital
Carbonleo
Centennial Hotels
CFO Capital
Chayell Developers
City of Toronto
Crown Group of Hotels
Cy Rheault Construction
Destination at Mississauga
Direct Capital Investment
Diamond Canada Hospitality
DP Murphy
Dunn Capital Corporation
Easton’s Group of Hotels
Family Entertainment Resorts
Fallsway Group
Galaxy Home Furnishings
Group Cholette
Groupe Germain Hospitalité
Ivanhoe Cambridge
Jamana & Sons Corporation
JAK Financial
J M Hospitality
Kara Hospitality Inc.
Kingsbury Hospitality Group
LALU Canada
Les Entreprises 2Levesque-Toner Ltd.
Manga Hotels
Marquee Hotels
M&S Canada
OMS Management Services
Pacrim Hospitality Services
Palm Holdings
Pinnacle Asset Management
Punjab Insurance
Remington Group
Retirement Concepts
Roshan Holdings
Royal Equator
Rudan Holdings
R-Chad General Contracting
Saffron Holdings
Select Hotel Investment
Skyline Investments
Sterling Hotels Canada
Sunray Group of Hotels
Thornton Grout Finnigan
Treasure Hill
Vrancor Group
Zinc Development
EXAMPLES OF HOTELS APPRAISED OR EVALUATED

**ONTARIO**

**Ajax**
Proposed Best western Plus Hotel, Ajax  
Proposed Fairfield Inn by Marriott Hotel, Ajax

**Aurora**
Converted Select-Service Hotel, Aurora  
Proposed Hampton Inn, Aurora

**Barrie**
Best Western, Barrie  
Horseshoe Resort, Barrie

**Belleville**
Proposed Country Inn & Suites, Belleville

**Bolton**
Hampton Inn & Suites, Bolton

**Bradford**
Proposed Comfort Inn, Bradford

**Brampton**
Hilton Garden Inn, Brampton  
Holiday Inn Express, Brampton  
Monte Carlo, Brampton  
Proposed Hilton Garden Inn, Brampton  
Proposed Home2 Suites, Brampton  
Proposed Holiday Inn Express and Conference Centre, Brampton  
Proposed Holiday Inn Express, Brampton

**Brantford**
Proposed Holiday Inn Express, Brantford  
Proposed Home2 Suites, Brantford  
Proposed Fairfield, Brantford

**Burlington**
Proposed Hampton Inn, Burlington  
Proposed Autograph by Marriott Waterfront Hotel, Burlington

**Cornwall**
Proposed Holiday Inn Express, Cornwall

**Etobicoke**
Converted, Repositioned Four Points, Etobicoke  
Proposed Fairfield Inn & Suites, Etobicoke  
Proposed Hotel and Conference Centre, Etobicoke  
Proposed Limited-Service Hotel, Etobicoke

**Guelph**
Staybridge Suites, Guelph  
Super 8, Guelph

**Hamilton**
Proposed Limited-Service Hotel, Hamilton  
Proposed Upper-Midscale Hotel, Hamilton  
Sheraton, Hamilton  
Staybridge Suites, Hamilton

**Innisfil**
Proposed Luxury Hotel - Friday Harbour, Innisfil

**Limoges**
Expanded Calypso Four - Season Waterpark Resort, Limoges
EXAMPLES OF HOTELS APPRAISED OR EVALUATED

London
Repositioned Hampton Inn, London
Holiday Inn Hotel & Suites, London
Holiday Inn, London
Motel 6, London
Proposed Select-Service Hotel, London
Staybridge Suites, London

Markham
Comfort Inn, Markham
Dual-Branded Homewood Suites and Hampton Inn, Markham
Dual-Branded Courtyard and TownePlace Suites, Markham
Hampton Inn, Markham
Homewood Suites, Markham
Marriott, Markham
Monte Carlo Downtown Markham, Markham
Park Inn Toronto Markham, Markham
Proposed Dual-Branded Tru & Home2 Suites, Markham
Proposed Marriott, Markham
Proposed Tru, Markham

Milton
Home2 Suites, Milton
Proposed Marriott Hotel, Milton

Mississauga
Converted Holiday Inn Express Toronto Mississauga, Mississauga
Days Inn, Mississauga
Four Points Toronto Airport, Mississauga
Holiday Inn Mississauga West Meadowvale, Mississauga
Holiday Inn Toronto Mississauga, Mississauga
Proposed Dual-Branded Holiday Inn Express & Staybridge, Mississauga

Mississauga (cont’d)
Proposed Dual-Branded Hotel, Mississauga
Proposed Dual-Branded Limited Service Hotel, Mississauga
Proposed Element Toronto Airport, Mississauga
Proposed Holiday Inn Express, Mississauga
Proposed Hyatt House, Mississauga
Proposed Residence Inn, Mississauga
Proposed Select-Service Hotel, Mississauga
Proposed TownePlace Suites, Mississauga
Proposed Upscale Hotel, Mississauga

Newmarket
Proposed Hyatt Place, Newmarket

Niagara Falls
Ramada Fallsview, Niagara Falls
Ramada Niagara Falls by the River, Niagara Falls
Super 8, Niagara Falls
Travelodge Niagara Falls by the Falls, Niagara Falls
Proposed Hyatt Regency, Niagara Falls
Embassy Suites, Niagara Falls

North Bay
Proposed Homewood Suites, North Bay
### Examples of Hotels Appraised or Evaluated

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<thead>
<tr>
<th>Location</th>
<th>Details</th>
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<tbody>
<tr>
<td><strong>Oakville</strong></td>
<td>Expanded Hilton Garden Inn, Oakville</td>
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<td></td>
<td>Hilton Garden Inn, Oakville</td>
</tr>
<tr>
<td></td>
<td>Proposed Best Western Plus, Oakville</td>
</tr>
<tr>
<td></td>
<td>Proposed Dual-Branded Tru &amp; Home2 Suites, Oakville</td>
</tr>
<tr>
<td></td>
<td>Proposed Home2 Suites, Oakville</td>
</tr>
<tr>
<td></td>
<td>Proposed Hyatt Place, Oakville</td>
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<tr>
<td><strong>Orangeville</strong></td>
<td>Best Western Plus, Orangeville</td>
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<td><strong>Oshawa</strong></td>
<td>Holiday Inn Express, Oshawa</td>
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<td><strong>Peterborough</strong></td>
<td>Proposed Hampton Inn, Peterborough</td>
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<td><strong>Port Elgin</strong></td>
<td>Holiday Inn Express, Port Elgin</td>
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<td><strong>Prescott</strong></td>
<td>Proposed Aquaworld Resort and Convention Centre, Prescott</td>
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<tr>
<td><strong>Richmond Hill</strong></td>
<td>Proposed Full-Service Hotel, Richmond Hill</td>
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<td><strong>Sarnia</strong></td>
<td>Best Western Guildwood Inn, Sarnia</td>
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<tr>
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<td>Proposed Holiday Inn Express, Sarnia</td>
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<tr>
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<td>Quality Inn, Sarnia</td>
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<td>Repositioned Drawbridge Hotel, Sarnia</td>
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<td><strong>St. Jacobs</strong></td>
<td>Proposed Hilton Garden Inn, St. Jacobs</td>
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<td><strong>St. Thomas</strong></td>
<td>Comfort Inn, St. Thomas</td>
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<tr>
<td><strong>Timmins</strong></td>
<td>Proposed Best Western Premier, Timmins</td>
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<td>Cambridge Suites, Toronto</td>
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<td>Converted Embassy Suites Toronto Airport, Toronto</td>
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<td>Crown Plaza Toronto Airport, Toronto</td>
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<td>DoubleTree by Hilton Toronto Airport, Toronto</td>
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<td>Holiday Inn Toronto International Airport, Toronto</td>
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<td>Holiday Inn Toronto Airport East, Toronto</td>
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<td>Howard Johnson Toronto West, Toronto</td>
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<td>Le Germain Toronto Maple Leaf Square, Toronto</td>
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<td>Le Germain Toronto Mercer, Toronto</td>
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<td>Novotel Toronto Centre, Toronto</td>
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<td>Proposed Canopy by Hilton, Toronto</td>
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<td>Proposed Fairfield Inn and Conference Centre, Toronto</td>
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<td>Proposed Full-Service Hotel, Toronto</td>
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<td>Proposed Hilton York Mills, Toronto</td>
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<td>Proposed Hotel Mobile Drive, Toronto</td>
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<td>Proposed Limited-Service Hotel, Toronto</td>
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<td>Proposed Micro Hotel Toronto</td>
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<tr>
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<td>Renovated Four Points and Element</td>
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<td>Toronto Airport, Toronto</td>
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**EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)**

**Toronto (cont'd)**
- Saint James Hotel, an Ascend Hotel Collection, Toronto
- Studio 6, Toronto
- Super 8, Toronto
- Thompson Hotel, Toronto
- Westin Harbour Castle, Toronto
- Westin Toronto Airport, Toronto

**Vaughan**
- Proposed Avid Hotel, Vaughan

**Waterloo**
- Proposed Hampton Inn, Waterloo

**Whitby**
- Proposed Extended Stay Hotel, Whitby
- Proposed Limited-Service Hotel, Whitby

**QUEBEC**

**Montreal**
- Fairmont Queen Elizabeth Hotel, Montreal
- Hotel Zero 1, Montreal
- Marriott Chateau Champlain, Montreal
- Proposed Four Seasons, Montreal
- W Hotel, Montreal

**Pointe-Claire**
- Converted Embassy Suites, Pointe Claire

**Quebec City**
- Hotel Village Vacances Valcartier

**Saint Adele**
- Proposed La Rolland Resort

**NEWFOUNDLAND & LABRADOR**

**Corner Brook**
- Proposed Limited-Service Hotel, Corner Brook

**Deer Lake**
- Holiday Inn Express, Deer Lake

**St. John's**
- Converted TownePlace Suites St. John's Courtyard by Marriott, St. John's
- Extended Stay Canada, St. John's
- Hampton Inn, St. John's
- Proposed ALT, St. John's
- Proposed Best Western Plus, St. John's
- Proposed Hilton Garden Inn, St. John's

**PEI**

**Charlottetown**
- Holiday Inn Express, Charlottetown
- Proposed Hampton Inn, Charlottetown

**MANITOBA**

**Dauphin**
- Proposed Best Western Plus, Dauphin
Monique Rosszell, AACI, MRICS, ISHC

EMPLOYMENT

2000 to present
HVS
Senior Managing Partner, Consulting & Valuation
Toronto and Montreal offices

1994 - 1998
Four Seasons Hotels and Resorts/Westin Hotels and Resorts/
Fairmont Hotels and Resorts
Toronto, ON

PROFESSIONAL AFFILIATIONS

Appraisal Institute of Canada (AACI)
Royal Institution of Chartered Surveyors (MRICS)
International Society of Hospitality Consultants (ISHC)
Queen's University Alumni Association
Ecole Hoteliere de Lausanne Alumni Association

EDUCATION

University of British Columbia
Sauder Real Estate Division (AACI Designation)

Ecole Hoteliere de Lausanne, Switzerland
Hospitality Management Degree

Queen's University, Kingston
Honours Bachelor of Economics
ARTICLES AND PUBLICATIONS

“2019 Canadian Hotel Valuation Index”, October 2019
“State of the Industry for Eastern Canada”, Hotel Magazine, January 2018
“2018 Canadian Hotel Valuation Index”, November 2018
“2017 Canadian Hotel Valuation Index”, October 2017
“2016 Canadian Hotel Valuation Index”, October 2016
“2015 Canadian Hotel Valuation Index”, October 2015
“Canada’s Lodging Market Shows Resilience”, Canadian Lodging Outlook, May 2015
“2014 Canadian Hotel Valuation Index”, October 2014
“2013 Canadian Hotel Valuation Index”, October 2013
“How Do Your Hotel’s Propert Taxes Compare?”, Canadian Lodging Outlook, July 2012
“What Can Hoteliers Do to Avoid Having the Value of Their Assets Go South?”, Canadian Lodging Outlook, December 2008
“RevPAR Penetration at Airport Terminal Hotels”, Canadian Lodging Outlook, December 2007
“The Lowdown on Canada’s Hotel Construction High”, Canadian Lodging Outlook, December 2006
“Updated Smith Travel Research Markets in Canadian Lodging”, Canadian Lodging Outlook, June 2005
“2004 Canadian Hotel Transaction Survey”, Canadian Lodging Outlook, November 2004
“SARS and its Impact on Tourism in Toronto”, Canadian Lodging Outlook, March 2003
“Insurance Premiums on the Rise?”, Canadian Lodging Outlook, March 2002
“Limited-Service Growth in Canada – Where’s it Going?”, Canadian Lodging Outlook, November 2000
LIST OF SPEAKING AND LECTURE APPEARANCES

Appraisal Institute of Canada Annual General Assembly
- Ottawa, Ontario
- Quebec City, Quebec
- St. John’s, Newfoundland
- Toronto, Ontario

Association of Assessing Officers of Manitoba, Winnipeg, Manitoba

Canadian Hotel Investment Conference

Cayuga Hospitality Consultants, Toronto, Ontario

Choice Hotels Annual General Assembly

Choice Hotels Annual Owner’s Meeting, Montreal, Quebec

Ecole Hoteliere de Lausanne, Lausanne, Switzerland

Hotel Capital Connections Conference, Toronto Ontario

New Brunswick Appraisal Institute General Assembly

Ontario Appraisal Institute General Assembly

Ryerson University, Toronto, Ontario

Seneca College, Toronto, Ontario

The Counselors of Real Estate Conference, Montreal, Quebec

Travelodge Annual General Assembly, Ottawa, Ontario

University of Guelph, Guelph, Ontario

Western Canadian Hotel Investment Conference, Vancouver, British Columbia
EXAMPLES OF CORPORATE AND INSTITUTIONAL CLIENTS SERVED

02G Secured Capital
Aareal Bank AG
Ackman-Ziff Real Estate Group
Alamo Management Company
Alliance Atlantis Communications
Alvarez & Marsal Canada
AM Hospitality Management
AMRESCO Corporation
API Development Consultants
APM Construction Services
Aquilini Investment Group
Ashford Hospitality Trust
Aurora Hotel Group
Avenue-Yorkville Developments
Babson Capital Management
Baldwin Sennecke Halman LLP
Bank of America
Barci Enterprises
Barney River
Bass Hotels and Resorts
Bear Sterns
Benjamin Hotel Inc.
Benlea Group of Companies
Best Western International
BLVD Developments
Brivia Group
Broccolini Limited
Brock Hotels
Bromont, Montagne D’Experiences
Broughton Capital
Buffalo Group
Business Development Bank of Canada
Butler Burgher Group
C.K. Atlantis
Cadillac Fairview
Cadim
Capmark Finance
Carleton University
Carmen’s Group
CDPQ Mortgage Corporation
Cedar Fair Entertainment

Centennial Hotels
Champagne Centre
Chayell Developers
Ciot
City of Barrie
City of Bathurst
City of Toronto
Claridge Homes
Coates Consulting
Cogir Real Estate
Coleraine Properties
Column Financial Canada
Comfort Inn Meadowvale
Concord Hospitality Enterprises Company
Cornerstone Real Estate Advisors
Cornwall Hospitality Inc.
Credit Agricole
Credit Suisse
Creeco
Crow Holdings
Crown Group of Hotels
Dalron Group
Das Development Corp.
David Adlys
Days Hospitality
DCR Phoenix
Delta Hotels & Resorts
Destination Mississauga
Deutsche Bank
Devimco Inc.
Devmont
Diamond Canada Hospitality
Diamond Hotels Management
Diversified Capital, LP
DMJ Group of Companies
Dorico Properties
Dover Coast
DP Murphy
Drawbridge Residences Inc.
Dream Alliance
EXAMPLES OF CORPORATE AND INSTITUTIONAL CLIENTS SERVED (CONTINUED)

Drudi Alexiou Kuchar LLP
Easton’s Group
Econo Lodge Downtown Ottawa
Ekasa Hospitality
Elgin Center
Elite Hospitality Group
Endurance Equities
Esso
Fairmont Hotels and Resorts
Fallsvue Group
Family Entertainment Resorts
First Commercial Bank
FIT Investment Corporation
Fixture This
Flex-N-Gate
Galaxy Home Furnishings
Ganesh Hospitality Inc.
GBA Project Management
GE Capital
Genesis Hospitality
Germain Group
Gestion Argos Inc.
Gestion Rencarth
Gestion Sherbrooke Bleury Inc.
Golden Triangle Holdings
Government of PEI
GPG DEVIMCO Consortium
Great Gulf Homes
Greater Toronto Airports Authority
Greenwin
Grey Rock Food Court Inc.
Groupe Le Massif Inc.
Groupe Montoni
GS Holdings Huntsville Inc.
GTR Property Management
Halifax Tower Hotel Ltd.
Hampstead Hospitality Group
Hamza Akram Holdings Ltd.
Hano Investments
Harbour Isle Halifax
Harden Group
Harper Development
Heller Real Estate Financial
HHC Hotels
Highgate Holdings
Hodges Ward Elliot
Holloway Lodging REIT
Homelife New World Realty Inc.
Homelife Superstars
Hotel Clarendon Inc.
Hotel Mont Sainte-Anne
HTG Sport Services
Hussein Valji
Immeubles Cathcart
Innventure Hotel Group Inc.
Intervas Hotel
Iron Horse Steakhouse
Island Investment Development Inc.
Ivanhoé Cambridge
JAK Financial
JB Hospitality Realty Inc.
JB Sons Hospitality
Jennum Development Corporation
Jesta Group
JM Hospitality Inc.
Jono Developments
JP Morgan Chase & Company
JVNS Inc.
JYSK Holdings
Kara Hospitality Inc.
Kilmer Infrastructure Developments Inc.
Kingsbury Hospitality Group
Knightsbridge
Kojax Food Services
Kothari Group
Kozlova Enterprise
K-Square Investment
La Pue International Inc.
La Salle GC Trust
Lakewoods Resort Development
Lalu Canada
Land & Bog
Larco Enterprises
Laurence Group
Legacy Hotels REIT
Lehman Brothers
EXAMPLES OF CORPORATE AND INSTITUTIONAL CLIENTS SERVED (CONTINUED)

LHMD
Library Collection of Hotels
Livia Capital Management
Lixi Group
Mady Development
Mandarin Oriental Hotel Group
Mango Hotels
Maninder Mand
Marathon Real Estate Fund
Mariposa Electric
Maritime Inns and Resorts
Markham Suites Hotel Limited
Marquee Hotels
Marriott Corporation
Maruti Parry Sound Inc.
MasterBUILT Hotels
Maunsell Investment Company
MBH Mt-Tremblant Lodging Ltd.
MCAP Financial Corp.
Menkes Developments
Merrill Lynch
MetLife
Midland Convention Centre & Accommodations Inc.
Midroc Holding Group
Mincom Plus Realty
Monaco Investments
Monit Investments
Monterey Park
Morguard Group
Municipality of Brighton
Municipality of the District of Barrington
Myers Automotive Group
Nanjico
Naushad Jinah
New Castle Hotels & Resorts
Niagara 21st Group
No. 16 Hospitality
Nobel Design Build
Nolan and Associates
Northampton Group
Northern Hotel Group
Nova Builders

Nunacor Development Corporation
Ocean Hospitalities
Ocean Properties
OMS Management
Opal Hospitality
Orsini Bros. Inns
Oxford Properties Group
Pacific Union Investment Holdings Inc.
Pacrim Hospitality
Panoramic Properties
Parentela International
Parm Bahia
Petretta Construction Inc.
Planiform
Pomeroy Group
Port Dalhousie Vitalization
Pravesa Inc.
PSL Properties Inc.
Qikiqtaaluk Corporation
Rambri Management
Remax Gold Realty
Remington Group
Revelstoke Mountain Homes
Ritchie Mill Law Office
Rosati Construction
Route 19 Brewing Inc.
Royal Equator Group
Royal Host
Royop Hospitality Corporation
Rudan Holdings
S & P Flex Circuit
Saffron Holdings
Sageblan Investments
Sagecrest Dixon
Sargents Berry Hospitality
ScotiaBank
Select Hotel Investments
Shelter Canadian Properties
Shiplake Properties
Shree Vinayak Inc.
SILJUB Hospitality
SilverBirch Hotels & Resorts
SilverCreek Group
EXAMPLES OF CORPORATE AND INSTITUTIONAL CLIENTS SERVED (CONTINUED)

Skyline Investments
Soltron Realty
Soprema
Spur Line Properties Inc.
St. Clair Hospitality
St. Mary’s First Nation
Standard Life
Starman Hotels
Starwood Capital Group
Sterling Hotels Canada
Streetwise Capital Partners
Suite Home Hotels Inc.
Sunny Hospitality Inc.
Sunray Group
Superior Lodging Corporation
Talwar Hotel Group
Taplitsky Colson LLP
TDEL Holdings Ltd.
Templar Corporation
Terracap Group
Textron Financial Corporation
Thornton Grout Finnigan
Town of Prescott
Trilogy Development Corporation
TriMont Real Estate Advisors
Urgo Hotels
Vaughan Mills Hotels
Vibrant Hospitality Group
Ville de Gatineau
Vinings Franchise Systems
Vintage Hotels
Vision Realty
Vrancor Group
Wachovia Corporation
Waheguru Investments Inc.
Waltt Group
Wells Fargo RETECHS
Westerkirk Capital
Wilshire Group
Winport Developments
Woodstock First Nation
Zinc Developments Group
EXAMPLES OF HOTELS APPRAISED OR EVALUATED

Canada

Alberta

Calgary
- Existing
  Holiday Inn Downtown
  Hotel Le Germain
- Proposed
  Germain Hotel

Edmonton
- Existing
  Comfort Inn & Suites
- Proposed
  Holiday Inn Select

Lake Louise
- Existing
  Lake Louise Inn

Red Deer
- Existing
  Best Western Inn & Suites

Sherwood Park
- Existing
  Holiday Inn Express

Manitoba

Dauphin
- Proposed
  Best Western Plus

Swan River
- Proposed
  Select Service Hotel

Winnipeg
- Existing
  Delta
  Fairmont
  Hampton Inn
  Holiday Inn South
  Place Louis Riel
- Proposed
  Alt Hotel
  Best Western
  Extended Stay
  Focused-Service Hotel
  Hampton Inn
  Hilton Garden Inn
  Hyatt Place

Winkler
- Proposed
  Microtel

New Brunswick

Bathurst
- Existing
  Comfort Inn
  Converted Ramada Chateau
  Quality Inn & Suites
- Proposed
  Best Western Plus

Campbellton
- Existing
  Comfort Inn
- Proposed
  Best Western Plus

Caraquet
- Existing
  Super 8

Dalhousie
- Existing
  Days Inn

Dieppe
- Existing
  Quality Inn Airport

Edmundston
- Existing
  Quality Inn
- Proposed
  Quality Hotel & Conference Centre
**EXAMPLES OF HOTELS**
**APPRaised or Evaluated**
(Continued)

- **Fredericton**
  - **Existing**
    - Best Western Plus
    - Delta Hotel
  - **Proposed**
    - Hampton Inn & Suites
    - Hilton Garden Inn
    - Limited-Service
    - Radisson

- **Grand Falls**
  - **Existing**
    - Best Western
  - **Proposed**
    - Best Western

- **Miramichi**
  - **Existing**
    - Lakeview Resort
    - Quality Inn Miramichi

- **Moncton**
  - **Existing**
    - Best Western
    - Converted Four Points
    - Delta Beausejour
    - Fairfield Inn & Suites
    - Hampton Inn
    - Hotel V
    - Residence Inn
    - Rodd Hotel
  - **Proposed**
    - Boutique Hotel
    - Courtyard
    - Doubletree
    - Full-Service Hotel
    - Hilton Garden Inn
    - Home2 Suites
    - Residence Inn
    - Tapestry

- **Saint John**
  - **Existing**
    - Comfort Inn

- **Saint Stephen**
  - **Proposed**
    - Best Western Plus
    - Tru

- **Newfoundland**
  - **Corner Brook**
    - **Proposed**
      - Upper Midscale Hotel
  - **Deer Lake**
    - **Existing**
      - Holiday Inn Express
    - **Proposed**
      - Holiday Inn Express
      - Super 8

- **Gander**
  - **Existing**
    - Comfort Inn

- **Goose Bay**
  - **Proposed**
    - Royal Inn & Suites Happy Valley

- **Labrador City**
  - **Existing**
    - Northern Inn & Suites

- **St. John’s**
  - **Existing**
    - Alt Hotel
    - Courtyard by Marriott
    - Fairfield Inn & Suites
    - Hampton Inn & Suites St. John’s Airport
    - Super 8
  - **Proposed**
    - Alt Hotel
    - Best Western St John’s Airport
    - Residence Inn
    - Select Service Hotel
    - Super 8
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

Nova Scotia

Amhurst
-Proposed
  Super 8

Antigonish
-Existing
  Maritime Inn
-Proposed
  Red Roof Inn
  Limited-Service Hotel

Baddeck
-Existing
  Silver Dart Lodge

Barrington Passage
-Proposed
  Extended Stay Hotel

Bridgewater
-Existing
  Comfort Inn
  Best Western

Dartmouth
-Existing
  Hampton Inn & Suites
-Proposed
  Candlewood Suites
  Courtyard
  Fairfield Inn
  Hilton Garden Inn
  Limited Service Hotel
  Mainstay (Shearwater)
  Residence Inn
  TownePlace Suites

Halifax
Alt Hotel
Cambridge Suites
Courtyard by Marriott Downtown
Delta Barrington
Delta Halifax
Hampton Inn

Homewood Suites Halifax
Howard Johnson
Prince George Hotel
Residence Inn by Marriott Downtown
Westin Nova Scotian

-Proposed
  Airport Terminal Hotel
  Alt Hotel Airport
  Germain Hotel
  Halifax Tower Hotel
  Hampton Inn
  Homewood Suites
  Moxy
  Residence Inn by Marriott Downtown

Inverness
-Proposed
  Limited Service Hotel

New Glasgow
-Proposed
  Super 8

New Minas
-Existing
  Slumber Inn

Port Hawkesbury
-Existing
  Maritime Inn
-Proposed
  Holiday Inn Express

Stellarton
-Proposed
  Hampton Inn
  Holiday Inn Express
  Limited-Service Hotel

Sydney
-Existing
  Cambridge Suites
  Hampton Inn
-Proposed
  Super 8
EXAMPLES OF HOTELS
APPRaised OR EVALUATED
(CONTINUED)

**Truro**
- **Existing**
  - Super 8
  - Willow Bend Motel

**Windsor**
- **Proposed**
  - Super 8

**Nunavut**

**Iqaluit**
- **Proposed**
  - Full-Service Hotel

**Prince Edward Island**

**Brudenell River**
- **Existing**
  - Rodd Hotel

**Charlottetown**
- **Existing**
  - Delta
  - Holiday Inn Express
  - Rodd Hotel
  - Rodd Royalty Hotel
- **Proposed**
  - Hampton Inn

**Crowbush**
- **Existing**
  - Rodd Golf & Beach Resort

**Mill River**
- **Existing**
  - Rodd Hotel

**Summerside**
- **Existing**
  - Loyalist Lakeview Resort
- **Proposed**
  - Hampton Inn

**Ontario**

**Ajax**
- **Proposed**
  - Best Western Plus
  - Comfort Inn
  - Country Inn & Suites
  - Extended Stay Hotel
  - Limited-Service
  - Super 8

**Amherstburg**
- **Proposed**
  - Comfort Inn

**Angus**
- **Proposed**
  - Select-Service Hotel

**Aurora**
- **Proposed**
  - Upper Midscale Extended-Stay

**Barrie**
- **Existing**
  - Best Western Royal Oak Inn
  - Holiday Inn Express & Suites
  - Horseshoe Resort
  - Knights Inn
  - Monte Carlo Inn & Suites
  - Super 8
  - Travelodge on Bayfield
- **Proposed**
  - Holiday Inn & Staybridge Suites
  - Select Service Hotel
  - Waterfront Hotel and Conference Centre
  - Waterfront Hyatt Place

**Barrhaven**
- **Proposed**
  - Limited Service Hotel
  - Hampton Inn & Suites

**Barry's Bay**
- **Proposed**
  - Luxury Hotel
**Belleville**
- **Proposed**
  - Country Inn & Suites
  - Hampton Inn

**Bolton**
- **Proposed**
  - Hampton Inn & Suites
  - Limited Service Hotel

**Bowmanville**
- **Existing**
  - Holiday Inn Express
- **Proposed**
  - Fairfield Inn

**Bracebridge**
- **Existing**
  - Travelodge
- **Proposed**
  - Tru

**Bradford**
- **Proposed**
  - Comfort Inn & Suites
  - Limited-Service Hotel

**Brampton**
- **Existing**
  - Courtyard by Marriott
  - Hilton Garden Inn
  - Holiday Inn Express
  - Holiday Inn Select
  - Monte Carlo Inn Brampton Suites
- **Proposed**
  - Fairfield
  - Hampton Inn
  - Holiday Inn Express
  - TownePlace Suites

**Brantford**
- **Existing**
  - Hampton Inn & Suites

**Brighton**
- **Proposed**
  - Home2 Suites
  - Super 8
  - TownePlace Suites

**Brockville**
- **Existing**
  - Best Western
  - Comfort Inn
  - Holiday Inn Express
  - Travelodge by Wyndham
- **Proposed**
  - Avid
  - Hampton Inn
  - Home2 Suites

**Burlington**
- **Existing**
  - Best Western Inn & Suites
  - Convention Centre
  - Courtyard
  - Travelodge
- **Proposed**
  - Delta Waterfront Hotel
  - Extended-Stay
  - Hampton Inn & Suites

**Cambridge**
- **Existing**
  - Best Western Plus
  - Four Points
  - Hilton Garden Inn
- **Proposed**
  - Homewood Suites
  - OnRoute Hotel

**Campbellcroft**
- **Proposed**
  - On Route Hotel
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

**Carleton Place**
- **Proposed**
  Limited Service Hotel

**Casselman**
- **Proposed**
  Microtel

**Cochrane**
- **Existing**
  Travelodge

**Collingwood**
- **Proposed**
  Holiday Inn Express

**Consecon**
- **Proposed**
  Inn & Restaurant

**Cornwall**
- **Proposed**
  Hampton Inn

**Fergus**
- **Proposed**
  Limited Service Hotel

**Fort Erie**
- **Proposed**
  Limited-Service Hotel
  Wingate

**Fort Frances**
- **Proposed**
  Limited Service Hotel

**Friday Harbour**
- **Proposed**
  Luxury Hotel

**Gananoque**
- **Existing**
  Ramada Provincial Inn
  Quality Inn & Suites
  - **Proposed**
    Tru by Hilton

**Gravenhurst**
- **Existing**
  Taboo Resort & Spa
- **Proposed**
  Fairfield Inn & Suites

**Guelph**
- **Existing**
  Royal Inn & Suites
  Staybridge Suites
  Super 8

**Grimsby**
- **Proposed**
  Super 8

**Hamilton**
- **Existing**
  Aloft Hotel
  Best Western Plus C
  Courtyard by Marriott
  Element Hotel
  Holiday Inn
  MainStay Suites
  Quality Hotel
  Residence Inn by Marriott
  Sheraton
  Staybridge Suites
- **Proposed**
  Courtyard by Marriott
  Hyatt House
  Limited-Service Hotel
  Upper Scale Hotel

**Huntsville**
- **Existing**
  Holiday Inn Express
- **Proposed**
  Home2 Suites

**Innisfil**
- **Proposed**
  Hilton Limited Service Hotel
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

**Jordan**
- Existing
  - Inn on the Twenty Jordan House

**Kanata**
- Proposed
  - Extended Stay

**Kemptville**
- Proposed
  - Holiday Inn Express
  - Limited-Service

**Kincardine**
- Existing
  - Holiday Inn Express & Suites

**Kingston**
- Existing
  - Ambassador Hotel
  - Courtyard Inn by Marriott
  - Days Inn
  - Delta Kingston Waterfront
  - Four Points
  - Holiday Inn Express & Suites
  - Quality Inn & Suites
  - Rosemount Inn & Spa
- Proposed
  - Avid
  - Comfort Inn & Suites
  - Hampton Inn
  - Holiday Inn Express & Candlewood
  - Quality Inn & Suites

**Kirkland Lake**
- Existing
  - Comfort Inn

**Kitchener**
- Existing
  - Best Western Plus

**Lakeshore**
- Proposed
  - Holiday Inn Express

**Leamington**
- Existing
  - Point Pelee Days Inn
  - Quality Inn

**Lincoln**
- Proposed
  - Limited-Service Hotel

**Lindsay**
- Existing
  - Admiral Inn & Conference Centre
- Proposed
  - Best Western Plus
  - Limited-Service Hotel

**Listowel**
- Proposed
  - Limited Service Hotel

**London**
- Existing
  - Comfort Hotel
  - Conversion to Holiday Inn
  - Courtyard
  - Doubletree
  - Hampton Inn
  - Holiday Inn Express
  - Homewood Suites
  - Motel 6
  - Ramada Inn
  - Staybridge Suites
- Proposed
  - Quality Inn
  - Super 8
Examples of Hotels Appraised or Evaluated (Continued)

Markham
- Existing
  Comfort Inn
  Courtyard by Marriott
  Hampton Inn
  Hilton Suites Conference Centre & Spa
  Holiday Inn
  Monte Carlo Inn & Suites
  Park Inn
  Residence Inn by Marriott
  Homewood Suites

- Proposed
  Courtyard by Marriott
  Delta Hotel
  Homewood Suites & Hampton Inn
  TownePlace
  Tru

Midland
- Existing
  Comfort Inn

- Proposed
  Hampton Inn
  Holiday Inn Express
  Super 8

Milton
- Existing
  Home2 Suites

- Proposed
  Courtyard

Mississauga
- Existing
  Comfort Inn (Meadowvale)
  Days Inn
  Delta Meadowvale Resort
  Hilton Garden Inn
  Holiday Inn & Suites

- Proposed
  Best Western Plus
  Element Hotel
  Fairfield & TownePlace Suites
  Hilton Garden Inn
  Holiday Inn & Candlewood Suites
  Holiday Inn Express & Staybridge Suites

Hyatt Place
Limited-Service Hotel
Residence Inn
TownePlace Suites

Napanee
- Existing
  Hampton Inn

- Proposed
  Boutique Hotel
  Tru

Nepean
- Existing
  Holiday Inn Express

- Proposed
  Limited Service Hotel

Niagara Falls
- Existing
  Conversion to Four Points
  Embassy Suites
  Falls Plaza
  Hilton Hotel
  Ramada by the River
  Ramada Fallsview
  Ramada Near the Falls
  Super 8
  Tower Hotel

- Proposed
  Best Western Plus
  Boutique 5-Star Hotel
  DoubleTree Resort Lodge & Spa
  Hampton Suites
  Hyatt Regency
  Ramada
  Tapestry
Niagara-on-the-Lake
-Existing
Charles Inn
Colonel Butler Inn
Harbour House Hotel
Hilton Garden Inn
Shaw Club
White Oaks Resort

-Proposed
Bed & Breakfast
Holiday Inn Express
Staybridge Suites

Nipigon
-Proposed
Best Western

North Bay
-Proposed
Homewood Suites
Limited Service Hotel

Oakville
-Existing
Country Inn & Suites
Fairfield Inn
Hilton Garden Inn
Quality Inn Hotel & Executive Suites

-Proposed
Best Western Plus
Home2 Suites
Hyatt Place
Residence Inn
Super 8

Orangeville
-Existing
Best Western Plus

Orillia
-Proposed
Country Inn & Suites
Super 8

Oshawa
-Proposed
Hampton Inn & Suites
Holiday Inn Express
Microtel Inn & Suites
TownePlace Suites

Ottawa
-Existing
Alt Hotel
Arc the Hotel
Converted Holiday Inn
Days Inn Ottawa Airport
Delta City Centre
Econolodge Downtown
Extended Stay Deluxe Downtown
Fairmont Chateau Laurier
Four Points (Kanata)
Holiday Inn- Parliament Hill
Le Germain
Quality Inn Orleans
Radisson Ottawa
Sheraton Hotel
Swiss Hotel
Westin Ottawa

-Proposed
Aloft & Element Hotels
Days Inn (Orleans)
Downtown Germain Hotel
Embassy Suites
Extended Stay Hotel
Focused-Service Hotel
Full-Service Hotel
Hilton Garden Inn
Holiday Inn Express
Le Breton Flats Hotel
Limited Service Hotel
Limited-Service (Kanata)
Rockcliffe Boutique
Terminal Hotel

Parry Sound
-Proposed
Best Western Plus
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

**Pembroke**
- **Existing**
  Best Western
- **Proposed**
  Motel 6

**Petawawa**
- **Proposed**
  TownePlace

**Peterborough**
- **Existing**
  Quality Inn by Journeys End

**Perth**
- **Proposed**
  Midscale Hotel

**Picton**
- **Existing**
  Harbour Inn

**Port Dover**
- **Proposed**
  Best Western

**Port Elgin**
- **Proposed**
  Select Service Hotel

**Port Perry**
- **Proposed**
  Comfort Inn

**Prescott**
- **Proposed**
  Aquaworld Resort and Convention Centre
  Holiday Inn Express

**Sarnia**
- **Existing**
  Best Western Guildwood Inn
  Drawbridge Hotel
  Quality Inn

- **Proposed**
  Hampton Inn
  Holiday Inn Express

**Sault Saint Marie**
- **Existing**
  Waterfront Hotel
- **Proposed**
  Extended-Stay Airport Hotel

**Simcoe**
- **Proposed**
  Ramada

**Sioux Lookout**
- **Existing**
  Days Inn
- **Proposed**
  Super 8

**Smith Falls**
- **Existing**
  Best Western Colonel by Inn
- **Proposed**
  Holiday Inn Express
  Limited Service

**Southampton**
- **Proposed**
  Quality Suites

**St. Thomas**
- **Existing**
  Comfort Inn
- **Proposed**
  Holiday Inn Express

**St. Jacobs**
- **Existing**
  Homewood Suites
- **Proposed**
  Homewood Suites
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

St. Catherines
-Proposed
  Limited-Service Hotel
  Delta (Port Dalhousie)

Stoney Creek
-Proposed
  AmeriHost

Stouffville
-Existing
  Boutique Hotel
  Stouffville Inn

Stratford
-Proposed
  Hampton Inn
  Holiday Inn Express

Sudbury
-Existing
  Clarion Hotel
  Fairfield Inn & Suites
  Hampton Inn
  Homewood Suites
  Quality Inn & Conference Centre
  TownePlace Suites
-Proposed
  Four Points
  Hilton Garden Inn
  Hyatt Place
  Tapestry Collection Hotel
  TownePlace Suites
  Upper Midscale Extended Stay

Thornbury
-Proposed
  Select Service Hotel

Thunder Bay
-Existing
  Econolodge
  Hampton Inn & Suites
  Holiday Inn Express
  Prince Arthur Hotel

Super 8
  Towne Place Suites

-Proposed
  Ascend Collection Courthouse
  Boutique Hotel
  Fairfield Inn
  Hampton Inn
  Holiday Inn Express
  Home2 Suites
  TownePlace Suites
  Quality Suites

Timmins
-Existing
  Hampton Inn
  Holiday Inn Express

-Proposed
  Best Western

Toronto Airport
-Existing
  Alt Hotel
  Best Western Premier
  Carlingview Airport Inn
  Comfort Inn
  Converted Delta
  Converted Staybridge Suites
  Courtyard Airport
  Courtyard Creekbank
  Crowne Plaza
  Doubletree
  Embassy Suites
  Fairfield Inn & Suites
  Four Points
  Hampton Inn & Suites
  Hilton Garden Inn
  Holiday Inn
  Marriott Airport
  Quality Suites
  Renaissance Airport
  Residence Inn Airport
  Residence Inn Creekbank
  Sheraton Gateway
  Westin Bristol Place
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

Toronto Airport (continued)

-Proposed
- Alt Hotel
- Courtyard by Marriott
- Element
- Hilton Garden Inn
- Holiday Inn Express
- Hyatt Regency
- Staybridge Suites

-Proposed
- Westin Harbour Castle
- Yorkland Hotel

Toronto

-Existing
- Best Western Plus Executive Inn
- Best Western Plus North York Hotel & Suites
- Cambridge Suites Hotel
- Converted Days Inn
- Courtyard by Marriott Downtown
- Days Inn & Conference Centre
- Delta Toronto East
- Fairmont Royal York
- Four Seasons Hotel
- Hilton Garden Inn City Centre
- Hilton Garden Inn Downtown
- Holiday Inn (Yorkdale)
- Holiday Inn Downtown Centre
- Holiday Inn Express North York
- Hotel Le Germain
- Howard Johnson Inn Downtown West
- Le Meridien King Edward Hotel
- Marriott Bloor Yorkville
- Marriott Eaton Center
- Omni King Edward Hotel
- Park Hyatt
- Plaza Hotel
- Planet Traveler Hostel
- Radisson Plaza Hotel Admiral
- Ramada & Conference Centre Don Valley
- Rebranded Delta
- Renaissance Downtown
- Residence Inn Downtown Ent. District
- Ritz-Carlton
- Saint James
- Super 8
- Templar Hotel
- Travelodge Toronto East
- Westin Bristol Place

Trenton

-Existing
- Comfort Inn
- SpringHill Suites

Vaughan

-Existing
- Aloft
  - Courtyard by Marriott
  - Hilton Garden Inn
  - Homewood Suites
  - Monte Carlo Inn
  - Residence Inn
  - SpringHill Suites
  - Super 8
EXAMPLES OF HOTELS APRAISED OR EVALUATED (CONTINUED)

**Vaughan (Continued)**
- **Proposed**
  - Avid Hotel (Woodbridge)
  - Extended-Stay Hotel
  - Holiday Inn Express & Candlewood
  - Hotel Vie, A Tribute Portfolio Hotel
  - Hyatt House
  - Hyatt Place
  - Staybridge Suites
  - TownePlace Suites

**Walkerton**
- **Proposed**
  - Motel 6

**Wasaga Beach**
- **Proposed**
  - Upper Midscale Hotel

**Waterloo**
- **Existing**
  - Homewood Suites
- **Proposed**
  - Germain Hotel
  - Hampton Inn & Suites
  - Westin Hotel

**Wellington**
- **Proposed**
  - Full-Service Hotel

**Whitby**
- **Existing**
  - Holiday Inn Express
  - Residence Inn
- **Proposed**
  - Extended-Stay Hotel
  - Hampton Inn
  - TownePlace Suites

**Windsor**
- **Existing**
  - Converted Hilton Hotel
- **Proposed**
  - Avid
  - Boutique Hotel

**Woodstock**
- **Proposed**
  - Holiday Inn Express
  - Red Roof Inn
  - Super 8

**Quebec**

**Baie Comeau**
- **Proposed**
  - Canalta Hotel

**Beaupre**
- **Existing**
  - Delta Hotel by Marriott

**Blainville**
- **Proposed**
  - Super 8

**Boisbriand**
- **Proposed**
  - Microtel Inn & Suites
  - Residence Inn

**Boucherville**
- **Proposed**
  - Super 8

**Brossard**
- **Existing**
  - Alt Hotel Quartier DIX30
- **Proposed**
  - Germain Hotel
  - Alt Plus

**Brome-Missisquoi**

**Chartes**

**Cole**

**Collin**

**Lévis**

**Oka**

**Sorel**

**Trois-Rivières**

**Valcartier**
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

Charlevoix
- Proposed
  Club Med Resort

Chateauguay
- Proposed
  Limited-Service Hotel

Chelsea
- Proposed
  Limited-Service Hotel

Drummondville
- Proposed
  5 Star Boutique

Gatineau
- Existing
  Hilton Lac Lemay
- Proposed
  Converted Tapestry Hotel
  Courtyard and Residence Inn
  Hampton Inn & Suites
  Holiday Inn
  Limited Service Hotel

Granby
- Proposed
  Super 8

Lachenaie
- Existing
  Super 8
- Proposed
  Super 8

La Tuque
- Proposed
  Limited Service Hotel

Laval
- Existing
  Best Western Chateauneuf
- Proposed
  Courtyard Hotel
  Holiday Inn Express & Suites

Levis
- Existing
  Four Points Hotel & Conference Centre
  Quality Inn & Suites
- Proposed
  Four Points Hotel & Conference Centre

Longueuil
- Existing
  Radisson Hotel

Mascouche
- Proposed
  Full-Service Hotel

Mont-Tremblant
- Proposed
  Super 8
  Microtel & Suites

Montreal
- Existing
  Alt Hotel
  Baymont Inn & Suites Airport
  Best Western Plus
  Courtyard Airport (St. Laurent)
  Days Inn Montreal Aeroport
  Delta
  Delta Centre-Ville
  Econo Lodge
  Fairmont Queen Elizabeth
  Holiday Inn Express
  Hotel Espresso Centre-Ville
  Hotel Godin
  Hotel Le Germain
  Hotel St. James
  Hotel St. Paul
  Hotel Zero 1
  Loews Hotel Vogue
  Marriott Chateau Champlain
  Renaissance Hotel
  Residence Inn Airport (St. Laurent)
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

**Montreal (Continued)**
- Residence Inn Downtown
- Sheraton Montreal Centre
- SpringHill Suites by Marriott
- The Ritz-Carlton
- W Hotel
- **Proposed**
  - Alt Hotel
  - Branded Extended Stay
  - Branded Full-Service Hotel
  - Candlewood Suites
  - Courtyard and Residence Inn
- Embassy Suites Hotel
- Four Seasons Hotel
- Full-Service Hotel
- Full-Service Marriott
- Hampton Inn & Homewood Suites
- Homewood Suites and Hilton Garden Inn
- Hotel 60
- Hotel Le St-James Mandarin Oriental
- Hyatt Regency Hotel
- Limited Service Hotel Dorval
- Marriott Airport Terminal Hotel
- Moxy Hotel
- Select-Service Hotel
- The Westin
- YOO Hotel

**Québec City**
- **Existing**
  - Alt Hotel Sainte Foy
  - Courtyard Centre-ville
  - Courtyard Lebourgneuf
  - Delta
  - Fairmont Chateau Frontenac
  - Hotel Clarendon
  - Hotel Le Germain
  - Hotel Village Vacances Valcartier
  - Marriott Quebec City
  - Quality Suites
- **Proposed**
  - Alt Hotel
  - Hilton Garden Inn
  - Hostel
  - Super 8

**Rimouski**
- **Existing**
  - Comfort Inn

**Rivière-du-Loup**
- **Existing**
  - Comfort Inn

**Rouyn-Noranda**
- **Existing**
  - Comfort Inn

**Sainte-Julie**
- **Proposed**
  - Microtel & Suites

**Saguenay**
- **Proposed**
  - Suburban Lodge

**Salaberry-de-Valleyfield**
- **Existing**
  - Motel Grande-Île

**Sherbrooke**
- **Existing**
  - Quality Hotel & Suites

**Mont-Laurier**
- **Proposed**
  - Super 8

**Mont-Tremblant**
- **Existing**
  - Microtel Inn & Suites by Wyndham
- **Proposed**
  - 4/5* Resort Hotel

**Pointe Claire**
- **Existing**
  - Embassy Suites
  - Holiday Inn
  - Quality Suites
EXAMPLES OF HOTELS APPRAISED OR EVALUATED (CONTINUED)

**St. Agathe**  
- Existing  
  Super 8  

**St. Jean sur Richelieu**  
- Existing  
  Holiday Inn Express  

**St. Nicolas**  
- Proposed  
  Super 8  

**St. Jérôme**  
- Existing  
  Super 8  

**Trois Rivières**  
- Proposed  
  Sleep Inn  
  Super 8  

**Val d'Or**  
- Existing  
  Hotel Forestel  

**Vaudreuil**  
- Proposed  
  Branded Extended-Stay  
  Super 8  
  Sleep Inn  

**Saskatchewan**  

**Saskatoon**  
- Proposed  
  Alt Hotel  

**USA**  

**Atlanta, GA**  
  Proposed Boutique Hotel  

**West Conshohocken, PA**  
  Marriott West  

**West Palm Beach, FL**  
  Limited-Service Hotel