Town of Fort Macleod
Committee of the Whole Meeting Agenda

Tuesday, September 19, 2023
7:00 pm
Conference Room
G.R. Davis Administration Building
410 20th Street
Fort Macleod, AB T0L 0Z0

Mayor Brent Feyter, Deputy Mayor Marco Van Huigenbos

		Pages
A.	CALL TO ORDER	
B.	APPROVAL OF AGENDA	
C.	UNFINISHED BUSINESS	
C.1	Hotel Study Prelim Projections	2
D.	IN CAMERA	
D.1	LAND SALE *FOIP Section 16*	
D.2	LAND SALE *FOIP Section 16*	
E.	ADJOURNMENT	

Hotel Study Prelim Projections

RECOMMENDATION:
Click or tap here to enter text.

DETAILS:
Cushman & Wakefield have completed the Phase 1 preliminary projections.

PURPOSE:
For Council review and comment.

ANALYSIS & OPTIONS:

FINANCIAL IMPLICATIONS:

COUNCIL STRATEGIC PLAN:
How is this submission supporting Council's Strategic Plan, Vision, and Mission?
Vision: A vibrant, growing community full of opportunity.
Mission: To provide high-quality service in an efficient and responsible manner.

-This submission is GROWING Fort Macleod. (Supporting priorities such as Residential Housing, Infrastructure, or Business Growth)

APPLICABLE LEGISLATION:
Add any applicable Bylaws, Policies, or other overarching legislation here.

ATTACHMENTS:
If applicable, attachments to the report.

PREPARED BY: Anthony Burdett, CAO

REVIEWED BY: Anthony Burdett, CAO
APPROVED BY: Anthony Burdett, CAO

Cushman & Wakefield ULC
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PRELIMINARY REPORTING MEMO

August 31, 2023

Anthony Burdett
Town of Fort Macleod
Box 1420, 410 20th Street
Fort Macleod, AB

Proposed Branded Upper Midscale Hotel Fort Macleod
18th Street and 8A Avenue
Fort Macleod, Alberta

C&W File ID: 23-113-900055

Dear Mr. Burdett:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to provide you with preliminary draft projections for your review prior to the issue of our draft report.

Please note that projections provided herein are preliminary and may change prior to the final report. The preliminary draft projections herein are for your internal use only and should not be shared with third parties for any purpose without our prior consent.

Please note that the effective dates of the appraisal are January 1, 2027 - the assumed date of completion, and January 1, 2031 – the date of stabilization.

The value opinion is qualified by certain assumptions, limiting conditions, certifications, and definitions which will be set out in the appraisal report. The valuation may also be based on certain extraordinary assumptions or hypothetical conditions as follows:

- It is assumed the proposed hotel will be developed as outlined in this report and will be completed by the effective date of valuation.
- It is assumed the proposed development will obtain all necessary municipal approvals to allow for the proposed development.

Please contact us with any questions or comments once you have reviewed.

The Town of Fort Macleod has a new area structure plan on the east side known as Macleod Landing. We were requested by the Client to prepare projections for a 60 to 80-room branded upper midscale hotel as part of the Client's due diligence prior to marketing the site to a potential hotel investor.

We reviewed the local competitive set of existing hotels and motels in the Town of Macleod as shown in the following chart:

Local Hotels Profile

No.	Name/Location	Year Built	Number of Rooms	Total Meeting Space (SF)	Meeting Space SF per Room	Major Facilities: Restaurant	Bar	Free Breakfast	Hot Tub	Swimming Pool	Fitness Centre	Overall Condition/Recent Renovations
S	**Proposed Hotel Fort Macleod** ***18th Street and 8A Avenue***	**2027**	**60**	**400**	**7**							
1	Hotel Bethel *416 24 Street*	n/a	6	-	-							Standard guest rooms with a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some rooms have a wet bar. The motel is in good condition, and appears to have been renovated recently with hardwood floors and new furniture. The motel is under OYO Hotels & Homes.
2	Red Coat Inn *359 24 Street*	1953	28	-	-							Standard guest rooms with a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some units have a full kitchen and two bedrooms. The motel has not been renovated in recent years and is in fair to good condition.
3	Century II Motel *462 24 Street*	n/a	14	-	-							Standard guest rooms with a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some rooms have a wet bar. The motel has not been renovated in recent years and is in fair to good condition.
4	Sunset Motel *104 AB-3*	n/a	22	-	-							Standard guest rooms with one or two beds and a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some rooms have a full kitchen. The motel has not been renovated in recent years and is in fair to good condition.
5	Fort Motel *451 24 Street*	circa 1950	27	-	-							Standard guest rooms with one or two beds and a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some rooms have a full kitchen. The motel has not been renovated in recent years and is in fair to good condition.

None of the aforementioned hotels and motels contribute to Smith Travel Research's (STR) database. Therefore, we reviewed the performance of select hotels in the surrounding region of Fort MacLeod which contribute to the STR database.

We selected a competitive set of hotels located in the surrounding communites of Fort Macleod in order to understand historic hotel performance in the region. The following competitve set is comprised of branded economy to upper midscale hotels situated in the nearby communities of Pincher Creek, Taber, Okotoks and Higher River, Alberta.

Competitive Hotels Profile

No.	Name/Location	Year Built	Number of Rooms	Total Meeting Space (SF)	Meeting Space SF per Room	Major Facilities: Restaurant	Bar	Free Breakfast	Hot Tub	Swimming Pool	Fitness Centre	Overall Condition/Recent Renovations
S	**Proposed Hotel Fort Macleod** ***18th Street and 8A Avenue***	**2027**	**60**	**900**	**15**							
1	Econo Lodge Inn & Suites Pincher Creek *1049 Wateron Avenue*	1978/2023	30	n/a	n/a			X				The Foothills Motel, an exterior corridor property, underwent a $1.2 million renovation and converted to a Econo Lodge Inn & Suites in February 2023. The hotel offers standard guest rooms as well as some suites with fully equipped kitchenettes. The hotel is in very good condition.
2	Super 8 Pincher Creek *1307 Freebairn Avenue*	1996	49	n/a	n/a			X	X		X	The hotel was last renovated in 2006 and is in fair to good condition. The hotel offers standard guest rooms with one or two beds.
3	Ramada Pincher Creek *1132 Table Mountain Street*	2007	78	1,100	14			X		X	X	The hotel was built in 2007 and is in good condition. The hotel offers standard guest rooms with one or two beds. Some suites have kitchenettes and fireplaces. Majority of the guest rooms are interior corridor with a select few on the ground level that have exterior corridor access.
4	Travelodge Pincher Creek *1255 McEachern Street*	2018	40	600	15	X	X	X				The hotel was built in 2018 and is in very good condition. The hotel has interior and exterior corridor guest rooms. The hotel offers standard guest rooms with one or two beds.
5	Econo Lodge Taber *5302 46 Avenue*	1985	50	388	8			X			X	The hotel was renovated in 2016 and is in good condition. The hotel offers standard guest rooms with one or two beds.
6	Super 8 Taber *5700 46 Avenue*	1996	48	n/a	n/a			X				The hotel has not been renovated in the last 10 years. The hotel is in good condition. The hotel has interior and exterior corridor guest rooms. The property offers standard guest rooms with one or two beds.
7	Best Western Plus Okotoks Inn & Suites *100 Southbank Road*	2014	82	4,125	50			X	X	X	X	The hotel was built in 2014 and is in very good condition. The property offers standard guest rooms with one or two beds and a pullout sofa. Some suites have kitchenettes.
8	Econo Lodge Okotoks *59 Riverside Gate*	n/a	40	n/a	n/a			X				The hotel was previously the Okotoks Country Inn that was converted to an Econo Lodge. It is unknown when the renovations and conversion occurred. The hotel is in good condition, The property offers standard guest rooms with one or two beds.
9	Super 8 High River *1601 13 Avenue SE*	2001	59	n/a	n/a			X	X	X	X	The hotel was built in 2001 and has not undergone renovations since opening. The hotel has interior and exterior corridor guest rooms. The property offers standard guest rooms with one to three beds.
10	Ramada High River *1512 13 Avenue SE*	2007	83	1,026	12			X	X	X	X	The hotel was renovated in 2014 and is in good condition. The property offers standard guest rooms with one to three beds. Some suites have kitchenettes or wet bars.

Based on a review of the competitive set facilities and discussions with a franchise representative for Choice Hotels International, Inc., we prepared market and financial projections for a proposed 60-room branded upper midscale hotel situated at Macleod Landing in the Town of Fort Macleod. The amenities recommended are based on a review of the facilities at the competitive set and local hotels, and our knowledge of the hotel market.

Summary of Subject Property

Property Name	Proposed Hotel Fort Macleod
Property Type	Limited-service Hotel
Year Built	2027
Number of Storeys	TBD
Number of Guest Rooms	60
Major Facilities	900 SF of Meeting & Event Space
	Breakfast Room
	Complimentary Breakfast
	Business Centre
	Fitness Centre
	Indoor Swimming Pool & Waterslide

The following chart summarizes the historic performance of hotels in Alberta. In 2020, RevPAR declined by 54% due to the negative impacts on travel related to the COVID-19 pandemic. Hotels in Alberta recovered from the pandemic in 2022 with a RevPAR of $90.54, 5.8% above 2019 levels. Based on YTD 2023 results, RevPAR continues to improve.

Alberta Market Historical Rooms Performance

Year	Supply % Change	Demand % Change	Occ	% Change	ADR	% Change	RevPAR	% Change
2018	-----	-----	57.0%	-----	$153.99	-----	$87.73	-----
2019	3.0%	0.5%	55.6%	-2.4%	$154.02	0.0%	$85.61	-2.4%
2020	-3.5%	-46.7%	30.8%	-44.5%	$127.85	-17.0%	$39.43	-53.9%
2021	2.0%	24.8%	37.8%	22.6%	$134.10	4.9%	$50.69	28.6%
2022	0.9%	47.2%	55.2%	46.0%	$164.06	22.3%	$90.54	78.6%
Average Annual % Change	0.6%	-0.4%		-0.8%		1.6%		0.8%
YTD July 2022	-----	-----	53.1%	-----	$159.90	-----	$84.90	-----
YTD July 2023	0.9%	10.8%	58.3%	9.8%	$175.45	9.7%	$102.26	20.4%

Source: STR

The following chart summarizes the historic performance of hotels in the selected competitive set. In 2020, RevPAR declined by 30% due to the negative impacts on travel related to the COVID-19 pandemic. Hotels in the competitve set recovered from the pandemic in 2022 with a RevPAR of $69.23, 19.5% above 2019 levels. Based on YTD 2023 results, RevPAR continues to improve.

Competitive Market's Historical Rooms Performance

Year	Rooms	Supply	% Change	Demand	% Change	Occ	% Change	ADR	% Change	RevPAR	% Change
2018	529	193,207	-----	88,249	-----	45.7%	-----	$124.82	-----	$57.01	-----
2019	560	204,400	5.8%	97,981	11.0%	47.9%	4.9%	$120.85	-3.2%	$57.93	1.6%
2020	560	204,400	0.0%	77,516	-20.9%	37.9%	-20.9%	$107.34	-11.2%	$40.71	-29.7%
2021	559	204,155	-0.1%	86,505	11.6%	42.4%	11.7%	$116.85	8.9%	$49.51	21.6%
2022	559	204,035	-0.1%	108,440	25.4%	53.1%	25.4%	$130.26	11.5%	$69.23	39.8%
Average Annual % Change			1.4%		5.3%		3.9%		1.1%		5.0%
YTD June 2022	559	101,179	-----	46,924	-----	46.4%	-----	$122.98	-----	$57.04	-----
YTD June 2023	559	101,179	0.0%	49,147	4.7%	48.6%	4.7%	$131.35	6.8%	$63.80	11.9%

Source: STR

Based on our research, we are only aware of one proposed hotel for the Town of Fort Macleod:

Summary of Proposed New Supply

No.	Name	Rooms	Impact Factor	Type	Assumed Opening	Status
1	Queen's Hotel (207 24 Street)	12	0%	Boutique	TBD	Planning

Compiled by Cushman & Wakefield ULC

The following charts outline our projections for the market and subject hotel:

Projection of Subject Penetration, Market Share, and Occupancy

			Projection			
	2027	**2028**	**2029**	**2030**	**2031**	**2032**
Subject Property Fair Share						
Market Room Supply	619	619	619	619	619	619
Subject Property Room Count	60	60	60	60	60	60
Fair Share	**9.7%**	**9.7%**	**9.7%**	**9.7%**	**9.7%**	**9.7%**
Room-Nights Captured by Subject						
Transient						
Penetration Factor	95.0%	100.0%	105.0%	105.0%	105.0%	105.0%
Market Share	9.2%	9.7%	10.2%	10.2%	10.2%	10.2%
Demand	84,621	85,891	87,179	88,487	89,814	89,814
Market Share	9.2%	9.7%	10.2%	10.2%	10.2%	10.2%
Capture	7,792	8,325	8,873	9,006	9,141	9,141
Group						
Penetration Factor	350.0%	350.0%	360.0%	360.0%	360.0%	360.0%
Market Share	33.9%	33.9%	34.9%	34.9%	34.9%	34.9%
Demand	6,409	6,505	6,603	6,702	6,803	6,803
Market Share	33.9%	33.9%	34.9%	34.9%	34.9%	34.9%
Capture	2,174	2,207	2,304	2,339	2,374	2,374
Other						
Penetration Factor	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Market Share	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Demand	23,325	23,674	24,029	24,389	24,755	24,755
Market Share	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Capture	1,130	1,147	1,165	1,182	1,200	1,200
Total Capture	**11,097**	**11,680**	**12,342**	**12,527**	**12,715**	**12,715**
Subject Property Projected Occupancy						
Calendar Year	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Room-Nights Captured	11,097	11,680	12,342	12,527	12,715	12,715
Available Room-Nights	21,900	21,900	21,900	21,900	21,900	21,900
Occupancy	50.7%	53.3%	56.4%	57.2%	58.1%	58.1%
Fiscal Year Adjustment	**2027**	**2028**	**2029**	**2030**	**Stabilized**	**2032**
First Calendar Year %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Second Calendar Year %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Room-Nights Accommodated	11,097	11,680	12,342	12,527	12,715	12,715
Occupancy	50.7%	53.3%	56.4%	57.2%	58.1%	58.1%
Rounded Occupancy	**51%**	**53%**	**56%**	**57%**	**58%**	**58%**
Overall Occupancy Share	**100.1%**	**103.8%**	**108.1%**	**108.1%**	**108.1%**	**108.1%**

Projection of Subject's ADR

	Projection Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Calendar Year	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Projected ADR	$155.00	$158.88	$162.85	$166.92	$171.09	$175.37
ADR % Change	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Subject Projected Occupancy, ADR and RevPAR Performance

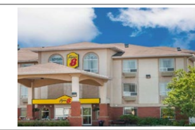
	Historical							Projection									
	2018	2019	2020	2021	2022	YTD June 2022	YTD June 2023	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Subject Occupancy												51%	53%	56%	57%	58%	58%
Point Change													*2.7*	*3.0*	*0.8*	*0.9*	*0.0*
Market-wide Occupancy	46%	48%	38%	42%	53%	46%	49%	57%	52%	51%	53%	51%	51%	52%	53%	54%	54%
Point Change		*2.3*	*-10.0*	*4.4*	*10.8*		*2.2*	*3.5*	*-4.2*	*-1.2*	*1.3*	*-2.0*	*0.8*	*0.8*	*0.8*	*0.8*	*0.0*
Subject Occupancy Share												**100%**	**104%**	**108%**	**108%**	**108%**	**108%**
Point Change													*3.7*	*4.3*	*0.0*	*0.0*	*0.0*
Subject ADR												$155.00	$158.88	$162.85	$166.92	$171.09	$175.37
Percentage Change													*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*
Market-wide ADR	$124.82	$120.85	$107.34	$116.85	$130.26	$122.98	$131.35	$139.56	$136.07	$139.47	$142.96	$146.53	$150.20	$153.95	$157.80	$161.74	$165.79
Percentage Change		*-3.2%*	*-11.2%*	*8.9%*	*11.5%*		*6.8%*	*7.1%*	*-2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*
Subject ADR Penetration												**106%**	**106%**	**106%**	**106%**	**106%**	**106%**
Percentage Change													*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Subject RevPAR												$78.54	$84.73	$91.77	$95.48	$99.33	$101.82
Percentage Change													*7.9%*	*8.3%*	*4.0%*	*4.0%*	*2.5%*
Market-wide RevPAR	$57.01	$57.93	$40.71	$49.51	$69.23	$57.04	$63.80	$79.02	$71.38	$71.55	$75.18	$74.17	$77.16	$80.28	$83.52	$86.89	$89.06
Percentage Change		*1.6%*	*-29.7%*	*21.6%*	*39.8%*		*11.9%*	*14.1%*	*-9.7%*	*0.2%*	*5.1%*	*-1.3%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*2.5%*
Subject RevPAR Index												**106%**	**110%**	**114%**	**114%**	**114%**	**114%**
Percentage Change													*3.7%*	*4.1%*	*0.0%*	*0.0%*	*0.0%*

Comparable Income & Expense Statements - Upper Midscale Hotels

	Proposed Subject			Hotel 1			Hotel 2			Hotel 3			Hotel 4			Hotel 5		
	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR
Occupancy:	51%			58%			44%			68%			51%			72%		
Number of Rooms:		60			51-100			51-100			51-100			51-100			51-100	
Average Rate:			$155			$93			$123			$103			$118			$118
REVENUES																		
Rooms	98.4%	$28,667	$155	94.2%	$19,497	$93	99.4%	$19,980	$123	99.7%	$25,646	$103	98.1%	$21,891	$118	99.2%	$30,969	$118
Other Income	1.6%	$462	$3	5.8%	$1,208	$6	0.6%	$130	$1	0.3%	$82	$0	1.9%	$433	$2	0.8%	$239	$1
Total Revenues	100.0%	$29,130	$158	100.0%	$20,705	$99	100.0%	$20,110	$124	100.0%	$25,728	$103	100.0%	$22,324	$120	100.0%	$31,208	$119
DEPARTMENTAL EXPENSES																		
Rooms	31.3%	$8,976	$49	30.0%	$5,851	$28	35.6%	$7,107	$44	32.4%	$8,301	$33	38.4%	$8,397	$45	31.7%	$9,804	$37
Other Income	0.0%	$0	$0	39.2%	$473	$2	0.5%	$1	$0	0.0%			62.4%	$270	$1	7.5%	$18	$0
Total Departmental Expenses	30.8%	$8,976	$49	30.5%	$6,325	$30	35.3%	$7,107	$44	32.3%	$8,301	$33	38.8%	$8,667	$46	31.5%	$9,822	$37
DEPARTMENTAL INCOME	69.2%	$20,154	$109	69.5%	$14,381	$68	64.7%	$13,003	$80	67.7%	$17,426	$70	61.2%	$13,657	$73	68.5%	$21,386	$82
UNDISTRIBUTED OPERATING EXPENSES																		
Administrative & General	8.8%	$2,566	$14	8.1%	$1,672	$8	8.5%	$1,709	$11	8.3%	$2,145	$9	12.5%	$2,784	$15	9.3%	$2,915	$11
Sales & Marketing	3.4%	$1,002	$5	5.5%	$1,129	$5	5.0%	$1,003	$6	4.7%	$1,205	$5	5.5%	$1,235	$7	5.5%	$1,713	$7
Franchise Fees	5.9%	$1,720	$9				0.8%	$169	$1	0.6%	$167	$1	0.7%	$167	$1	0.5%	$162	$1
Property Operations & Maintenance	3.4%	$1,000	$5	3.8%	$783	$4	4.0%	$798	$5	4.0%	$1,027	$4	3.7%	$825	$4	3.3%	$1,038	$4
Utilities	4.5%	$1,300	$7	4.4%	$921	$4	7.7%	$1,544	$10	3.7%	$947	$4	4.0%	$893	$5	4.0%	$1,237	$5
IT Systems	2.0%	$583	$3	1.7%	$349	$2	2.1%	$416	$3	2.0%	$519	$2	2.0%	$440	$2	1.4%	$428	$2
Total Undistributed Operating Expenses	28.0%	$8,171	$44	23.4%	$4,853	$23	28.0%	$5,640	$35	23.4%	$6,010	$24	28.4%	$6,344	$34	24.0%	$7,493	$30
MANAGEMENT FEES																		
Base Fee (Normalized)	3.0%	$874	$5	3.0%	$621	$3	3.0%	$603	$4	3.0%	$772	$3	3.0%	$670	$4	3.0%	$936	$4
Incentive Fee	0.0%	$0	$0															
Total Management Fees	3.0%	$874	$5	3.0%	$621	$3	3.0%	$603	$4	3.0%	$772	$3	3.0%	$670	$4	3.0%	$936	$4
GROSS OPERATING PROFIT	38.1%	$11,109	$60	43.0%	$8,907	$42	33.6%	$6,760	$42	41.4%	$10,645	$43	29.8%	$6,643	$36	41.5%	$12,957	$48
FIXED EXPENSES																		
Property Taxes	4.5%	$1,319	$7	7.7%	$1,592	$8	7.1%	$1,428	$9	4.8%	$1,244	$5	4.1%	$915	$5	7.8%	$2,434	$9
Insurance	1.4%	$400	$2	0.5%	$109	$1	0.6%	$116	$1	0.5%	$129	$1	0.6%	$124	$1	0.4%	$134	$1
Reserve for Replacement (Normalized)	2.0%	$583	$3	4.0%	$828	$4	4.0%	$804	$5	4.0%	$1,029	$4	4.0%	$893	$5	0.0%		
Total Fixed Expenses	7.9%	$2,302	$12	12.2%	$2,529	$13	11.7%	$2,347	$14	9.3%	$2,402	$10	8.7%	$1,932	$10	8.2%	$2,568	$10
NET OPERATING INCOME	30.2%	$8,807	$48	30.8%	$6,377	$29	21.9%	$4,412	$27	32.0%	$8,243	$33	21.1%	$4,711	$25	33.3%	$10,389	$38

Compiled by Cushman & Wakefield ULC

Improved Hotel Sales Comparison Chart

	Subject Property Proposed Hotel Fort Macleod	Listing Superlodge Lethbridge	Listing Red Coat Inn	Improve Sale 1 Days Inn & Suites Airdrie	Improved Sale 2 Canalta Ponoka (Converted to Ramada)	Improved Sale 3 Best Western Plus The Inn At St. Albert, Best Western Plus Drayton Valley All Suites	Improved Sale 4 Super 8 High River	Improved Sale 5 Comfort Inn Lethbridge
Exterior Photo								
Property Information								
Address	18th Street and 8A Avenue	2210 7 Avenue South	359 24 Street	911 Highland Park Cove NE	16707 Highway 53	460 St Albert Trail, 2252 50 St	1601 12 Avenue SE	3226 Fairway Plaza South
Location	Fort Macleod	Lethbridge, AB	Fort Macleod, AB	Airdrie	Ponoka, AB	Drayton Valley and St. Albert, AB	High River, AB	Lethbridge, AB
Property Type	Limited-service Hotel	Limited-service Hotel	Motel	Focused-service Hotel	Limited-service	Focused-service Hotels	Limited-service Hotel	Limited-service Hotel
Year Built	2027	1973	1953	2017	2005	2010, 2014	2001	2001
Overall Condition	Excellent (Anticipated)	Fair to Good	Fair to Good	Very Good	Good	Good	Fair to Good	Good
Brand Affiliation	Independent	Independent	Independent	Days Inn	Canalta	Best Western	Super 8	Comfort Inn
Number of Guest Rooms	60	89	28	93	49	180	60	60
Major Facilities	900 SF of Meeting & Event Space Breakfast Room Complimentary Breakfast Business Centre Fitness Centre Indoor Swimming Pool & Waterslide	Outdoor Swimming Pool Guest Laundry Available Kitchenette Units		842 SF of Meeting & Event Space Breakfast Room Business Centre Fitness Centre Indoor Pool and Hot Tub Sundries Market Complimentary Breakfast Guest Laundry	300 SF of Meeting & Event Space A&W Restaurant (Leased) Indoor Swimming Pool w/ Waterslide Hot Tub Fitness Centre Business Centre Guest Laundry Facilities Complimentary Breakfast	5,382 SF of Meeting & Event Space (St. Albert) Breakfast Room Fitness Centre Swimming Pool (St. Albert)	720 SF of Meeting space Complimentary Breakfast Business Centre	Breakfast area Indoor Hot Tub Laundry facilities
Transaction Information								
Sale Date		Guidance Price	Guidance Price	June-23	December-22	November-22	March-20	February-20
Sale Price		$2,600,000	$1,390,000	$9,600,000	$2,950,000	$19,760,000	$3,520,000	$3,900,000
Sale Price Per Room		$29,213	$49,643	$103,226	$60,204	$109,778	$58,667	$65,000
Real Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Seller				Good Heart Investment Inc.	Private Investor	Private Investor	Canalta Hotels (Canalta Real Estate Services Ltd.)	Private Investor
Buyer				TNB Airdrie Ltd.	Private Investor	Private Investor	Rifar Inc.	Mahal Investments (2019) Ltd.
Investment Information								
Reported Cap Rate				Confidential	7.8%	N/A	Confidential	N/A
Estimated NOI Per Room	$8,800			Confidential	$4,696	N/A	Confidential	N/A
Notes					Rebranded to a Ramada upon acquisition.	Two-property portfolio.		

Ten Year Forecast (As Complete) - Proposed Hotel Fort Macleod

Projection Year:	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Calendar Year:	**2027**	**2028**	**2029**	**2030**	**Stabilized**	**2032**	**2033**	**2034**	**2035**	**2036**
Days in Year:	**365**	**365**	**365**	**365**	**365**	**365**	**365**	**365**	**365**	**365**
Number of Rooms:	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**	**60**
Rooms Available:	**21,900**	**21,900**	**21,900**	**21,900**	**21,900**	**21,900**	**21,900**	**21,900**	**21,900**	**21,900**
Occupied Rooms:	**11,097**	**11,680**	**12,342**	**12,527**	**12,715**	**12,715**	**12,715**	**12,715**	**12,715**	**12,715**
Occupancy:	**50.7%**	**53.3%**	**56.4%**	**57.2%**	**58.1%**	**58.1%**	**58.1%**	**58.1%**	**58.1%**	**58.1%**
Average Rate:	**$155.00**	**$158.88**	**$162.85**	**$166.92**	**$171.09**	**$175.37**	**$179.75**	**$184.25**	**$188.85**	**$193.57**
RevPAR:	**$78.54**	**$84.73**	**$91.77**	**$95.48**	**$99.33**	**$101.82**	**$104.36**	**$106.97**	**$109.64**	**$112.38**

	$ (000's)	% Gross	$ (000's)	% Gross	$ (000's)	% Gross	$ (000's)	% Gross	$ (000's)	% Gross	$ (000's)	% Gross	$ (000's)	% Gross	$ (000's)	% Gross	$ (000's)	% Gross	$ (000's)	% Gross
REVENUES																				
Rooms	$1,720	98.4%	$1,856	98.4%	$2,010	98.4%	$2,091	98.4%	$2,175	98.4%	$2,230	98.4%	$2,285	98.4%	$2,343	98.4%	$2,401	98.4%	$2,461	98.4%
Other Income (Net)	28	1.6%	30	1.6%	32	1.6%	33	1.6%	34	1.6%	35	1.6%	36	1.6%	37	1.6%	38	1.6%	39	1.6%
Total Revenues	1,748	100.0%	1,886	100.0%	2,042	100.0%	2,124	100.0%	2,209	100.0%	2,265	100.0%	2,321	100.0%	2,380	100.0%	2,439	100.0%	2,500	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	539	31.3%	584	31.5%	592	29.5%	613	29.3%	634	29.2%	650	29.2%	667	29.2%	683	29.2%	700	29.2%	718	29.2%
Total Departmental Expenses	539	30.8%	584	31.0%	592	29.0%	613	28.9%	634	28.7%	650	28.7%	667	28.7%	683	28.7%	700	28.7%	718	28.7%
DEPARTMENTAL INCOME	1,209	69.2%	1,302	69.0%	1,449	71.0%	1,511	71.1%	1,575	71.3%	1,615	71.3%	1,655	71.3%	1,697	71.3%	1,739	71.3%	1,782	71.3%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	154	8.8%	163	8.7%	174	8.5%	180	8.5%	186	8.4%	191	8.4%	196	8.4%	201	8.4%	206	8.4%	211	8.4%
Sales & Marketing	60	3.4%	64	3.4%	68	3.3%	71	3.3%	73	3.3%	75	3.3%	77	3.3%	79	3.3%	81	3.3%	83	3.3%
Franchise Fees	103	5.9%	111	5.9%	121	5.9%	125	5.9%	131	5.9%	145	6.4%	149	6.4%	152	6.4%	156	6.4%	160	6.4%
Property Operations & Maintenance	60	3.4%	81	4.3%	95	4.7%	98	4.6%	102	4.6%	104	4.6%	107	4.6%	110	4.6%	112	4.6%	115	4.6%
Utilities	78	4.5%	83	4.4%	88	4.3%	91	4.3%	94	4.3%	97	4.3%	99	4.3%	102	4.3%	104	4.3%	107	4.3%
IT Systems	35	2.0%	37	2.0%	39	1.9%	41	1.9%	42	1.9%	43	1.9%	44	1.9%	46	1.9%	47	1.9%	48	1.9%
Total Undistributed Operating Expenses	490	28.0%	539	28.7%	585	28.6%	606	28.5%	628	28.4%	655	28.9%	672	28.9%	688	28.9%	706	28.9%	723	28.9%
MANAGEMENT FEES																				
Base Fee	52	3.0%	57	3.0%	61	3.0%	64	3.0%	66	3.0%	68	3.0%	70	3.0%	71	3.0%	73	3.0%	75	3.0%
Total Management Fees	52	3.0%	57	3.0%	61	3.0%	64	3.0%	66	3.0%	68	3.0%	70	3.0%	71	3.0%	73	3.0%	75	3.0%
GROSS OPERATING PROFIT	667	38.2%	706	37.3%	803	39.4%	841	39.6%	880	39.9%	892	39.4%	913	39.4%	937	39.4%	960	39.4%	984	39.4%
FIXED EXPENSES																				
Property Taxes	79	4.5%	81	4.3%	83	4.1%	85	4.0%	87	4.0%	90	4.0%	92	4.0%	94	4.0%	96	4.0%	99	4.0%
Insurance	24	1.4%	25	1.3%	25	1.2%	26	1.2%	26	1.2%	27	1.2%	28	1.2%	29	1.2%	29	1.2%	30	1.2%
Reserve for Replacement	35	2.0%	57	3.0%	82	4.0%	85	4.0%	88	4.0%	91	4.0%	93	4.0%	95	4.0%	98	4.0%	100	4.0%
Total Fixed Expenses	138	7.9%	162	8.6%	190	9.3%	196	9.2%	202	9.2%	207	9.2%	213	9.2%	218	9.2%	223	9.2%	229	9.2%
NET OPERATING INCOME	528	30.3%	543	28.7%	613	30.1%	645	30.4%	678	30.7%	684	30.2%	701	30.2%	719	30.2%	737	30.2%	755	30.2%

Discounted Cash Flow Analysis (As Complete) - Proposed Hotel Fort Macleod

PROJECTION YEAR	NET OPERATING INCOME		DISCOUNT FACTOR		PRESENT VALUE	COMPOSITION OF YIELD	CAGR OF NET OPERATING INCOME
			10.75%				
2027	$528,000	x	0.902935	=	$476,750	6.99%	-
2028	$543,000	x	0.815291	=	$442,703	6.49%	2.84%
2029	$613,000	x	0.736154	=	$451,262	6.62%	7.75%
2030	$645,000	x	0.664699	=	$428,731	6.29%	6.90%
Stabilized	$678,000	x	0.600180	=	$406,922	5.97%	6.45%
2032	$684,000	x	0.541923	=	$370,675	5.44%	5.31%
2033	$701,000	x	0.489321	=	$343,014	5.03%	4.84%
2034	$719,000	x	0.441825	=	$317,672	4.66%	4.51%
2035	$737,000	x	0.398939	=	$294,018	4.31%	4.26%
2036	$755,000	x	0.360216	=	$271,963	3.99%	4.05%
Total Present Value of Cash Flows					$3,803,710	55.79%	
REVERSION							
2037	$774,000	/	**9.25%**		$8,367,568		
	x Discount Factor				0.360216		
Total Present Value of Reversion					$3,014,132	44.21%	
Total Present Value					$6,817,842	100.00%	
			ROUNDED:		**$6,800,000**		

Number of Rooms	**60**
Estimated Value per Room (rounded)	**$113,000**

Direct Capitalization Analysis (As Complete) - Proposed Hotel Fort Macleod

Year 1 Net Operating Income	Overall Capitalization Rate	Indicated Value	Indicated Value Per Room
$528,000	7.75%	$6,800,000	$113,000
$528,000	8.00%	$6,600,000	$110,000
$528,000	**8.25%**	**$6,400,000**	**$107,000**
$528,000	8.50%	$6,200,000	$103,000
$528,000	8.75%	$6,000,000	$100,000

Final Value Reconciliation

Date of Value	Prospective Market Value (As Complete) January 1, 2027	Per Room	Prospective Market Value (As Stabilized) January 1, 2031	Per Room
Direct Comparison Approach				
Direct Comparison	$6,600,000	$110,000	$7,500,000	$125,000
Income Approach				
Discounted Cash Flow	$6,800,000	$113,000	$7,700,000	$128,000
Direct Capitalization	$6,400,000	$107,000	$7,500,000	$125,000
Final Value Conclusion	**$6,600,000**	**$110,000**	**$7,600,000**	**$127,000**

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