

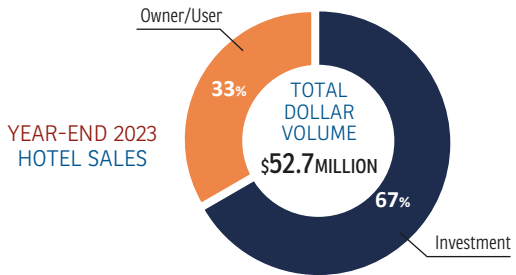
Edmonton Hotel Investment Insights

Market Analysis Year-End 2023

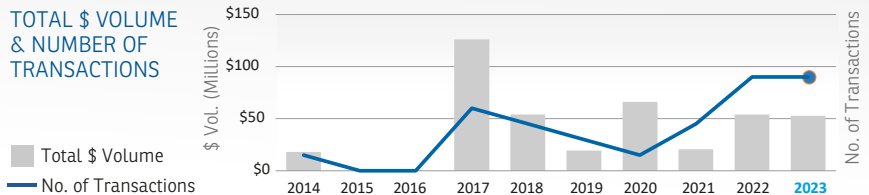
The hotel sector in Edmonton has proven attractive to an increasingly diverse group of buyers over the passed ten years, with owner/users and those seeking purely investment income buying a vast array of property styles and ages that reflect Edmonton's character. Since 2020, investors have displayed a remarkable desire to own hotel properties, with sales numbers bouncing back quickly in the post-COVID-19 period after a multi-year decline.

Demonstrating the attractiveness of this commercial product, nearly \$53 million in transactions closed

	Year-End 2022	Year-End 2023	Y-O-Y Change
Total Dollar Volume	\$53,884,321	\$52,725,000	(\$1,159,321)
Owner/User Dollar Volume	\$14,570,000	\$9,800,000	(\$4,770,000)
Investment Dollar Volume	\$39,314,321	\$42,925,000	\$3,610,679



TOTAL \$ VOLUME & NUMBER OF TRANSACTIONS

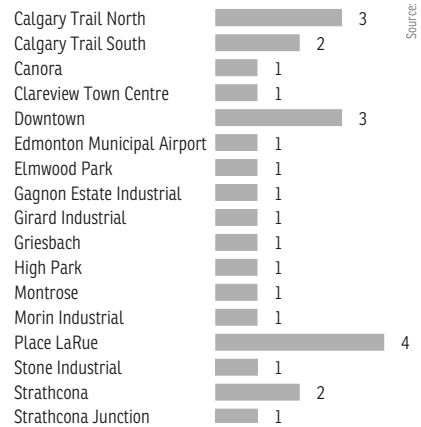


through 2023 – essentially on-par with 2022. The trend of 2023 was purchases of 1970s or older establishments, with one being Union Bank Inn which was constructed in 1911.

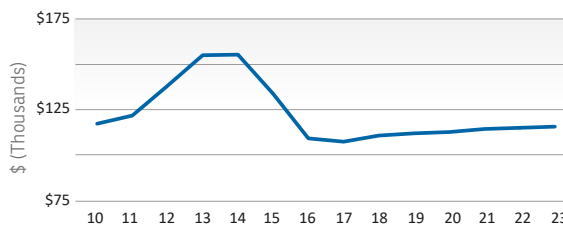
From all appearances, higher interest rates seem to have ignited investors' interest for hospitality assets. With current fiscal conditions and resilient cap rates in multifamily, industrial and retail assets, hotels are expected to emerge as an alternative asset class with higher cap rates and strong possibility of superior returns on capital.

As indicated by the data below, sale price/room – though lower than 2014 levels – revenue per available room (RevPAR) for the Edmonton market has bounced back to early-2016 levels when it sat in the mid- \$70 range for several months. The current window provides an opportunity for an investor to acquire a hotel with average of just over \$100,000/room and still derive better yields than those who acquired hotels during the 2014-2018 period. Additionally, with rising costs to build new hotel, acquiring assets currently in operation may be more feasible than new construction for foreseeable future.

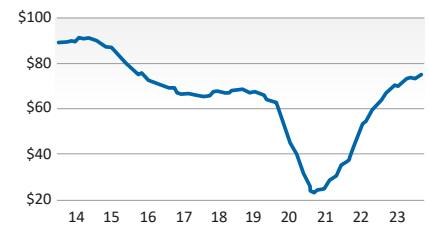
2014-2023 HOTEL SALES BY SUBDIVISION



VALUE PER HOTEL ROOM



RevPAR



Major Edmonton Hotel Transactions

Address	District	Sale Price	Total Suites	Price per Suite	Year Built	Vendor	Purchaser	Ownership Type
10135 100 Street	Downtown	\$66,182,936	428	\$154,633	1974	SCG Aquarius Edmonton Hotel Inc.	MH Hotels (WEDM) Inc.	Investment
10454 82 Avenue	Strathcona	\$65,000,000	371	\$175,202	1960	Varscona Developments Inc.	1113225 B.C. Ltd.	Investment
18520 100 Avenue	Place LaRue	\$37,000,000	214	\$172,897	2016	100th Avenue Commercial Ltd.	1779994 Alberta Ltd.	Investment
18304 100 Avenue	Place LaRue	\$33,802,050	239	\$141,431	2007	Platinum Investments Ltd.	Genesis Hospitality Inc.	Investment
4404 Gateway Blvd.	Calgary Trail North	\$22,000,000	237	\$92,827	1974	DHL No. 2 Holdings Ltd.	Coastal Prime Hospitality (Edmonton) Corp.	Investment

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