



Issue 15, August 2007

## August Performance

### TOTAL REVENUE AND CONTRIBUTION

August was a busy month for Vancouver and our hotel. Although group business continues to be down in Vancouver, the increase in discounted leisure and individual business travel made August a success.

The overall revenue exceeded last year by \$24K but was down from budget by \$19K. The cash available to the investors has increased \$60K over last year and \$43K over budget. We saw a growth in occupancy, average rate and revPAR versus last year. The rate of \$217.74 was short of budget by \$5.11 but surpassed last August of 214.53.

Room revenue was up \$32K to last August and just short of budget. As we saw last month our discounted channels are delivering majority of our leisure travelers which has minimized our rate growth year over year. Group and Film were down to last year in both occupancy and rate. Corporate business saw an increase good growth in rate but room nights were flat to last August.

Food and Beverage was down \$5K over last year and \$16K to budget. We saw a decrease in food revenue in all outlets. However beverage revenue overall was up \$7K with an increase in Aria by 20% over last year and almost 30% over budget. As group business is down, catering continues to fall behind last year by \$4K and budget by \$8.3K. With occupancy up slightly to last August we saw minimal increases in In-suite dining and Refreshment centre.

Food & Beverage contribution was 17.3% versus a budget of 17.0% and last year of 16.4%. As catering is our big contributor to F&B profit this result is excellent. F&B labour was up \$1.8K to budget and \$2.8K to last year. Food cost was 27.5% versus 27.4% last August. F&B contribution fell short to budget by \$2.7K and slightly up to last year.

Other revenue was down \$3K to last year and \$2K to budget. Telephone charges continue to decline. Other expenses were up over last year and budget as labour is still required to man the switchboard. Contribution from other revenue was \$2.1 ahead of budget and flat to last year.

Market Share for August	WGV	Competitive Set
RevPAR	\$208.53	\$179.13
Rate	\$217.74	\$201.45
Occupancy	95.77%	88.92%

\*WGV=Westin Grand Vancouver

\*Competitive set= Delta Vancouver Suites, The Metropolitan, Pacific Palisades, The Sheraton Wall Centre and The Westin Bayshore

In August we saw a Revpar index of 116.4%. We saw a slight increase in occupancy over last year with a \$3.20 increase in ADR. This resulted in a revPAR growth from \$203.49 in 2006 to \$208.53 in 2007. We are still ahead of our competitive set in average rate and revPAR and achieved more than our fair share in occupancy, average rate and revPAR as well.

### Film and Entertainment business halted due to City strike

The city workers strike is impacting our revenue. Companies doing film work in Vancouver, have shifted to other destinations, or postponed their production since they have been unable to get the required permits. We have been successful in replacing a portion of this lost business with performing music bands.

**Eric Eikeland, Director of Sales & Marketing**

### BC Tax reclassification progress

As you are aware a new classification has been introduced for the property tax assessments. A residential rate may apply to stratified units while owner occupied. We are currently interpreting the conditions that apply to qualify for this classification. The hotel will be submitting applications on behalf of the owners. The deadline has been extended to September 28<sup>th</sup>.

**George Lau, Controller**

### Aria Restaurant & Lounge

The changes we have made in Aria are increasing our profitability. Our guests enjoy the new menu and the hot buffet at breakfast has made dealing with larger volume at breakfast much easier.

**Mike Kelly, Director of Food & Beverage**



## Expenses: Undistributed and Gross Operating Profit

Administrative and General payroll and expenses finished at 8.2% versus a budget of 7.6% and last year of 7.7%. The increase is partly due to the purchase of an associate survey from Starwood to conduct our annual ASI. We also saw training costs increase over last year due to new associates coming on board during the month.

Sales and Marketing payroll and expenses are 12.1% versus 11.8% budgeted and 12.5% last year. Payroll and expenses were under last year by 4K and 3K over budget. A savings in tradeshow and travel costs occurred due to the timing of events. We will see this even out over the remainder of the year with upcoming travel for the Sales department.

Engineering expenses and payroll were at 2.9% versus a budget of 3.1% and last year at 3.2%. We were short one full time engineer in August due to illness. Energy costs are flat to last year and just under budget for the month.

Gross operating profit for August was 40.3% versus a budget of 40.0% and last August of 39.7%. This translates to an increase of \$18K over last year and just short of budget by \$4K.

## Fixed Expenses, Net Profit and Net Available for Distribution

Fixed expenses are under budget by \$44K and \$20K under last August. Our property taxes came in lower than expected so we saw a savings in both July and August.

Our net profit for the month was \$425K, an increase of \$38K over last year. We budgeted for a net profit of \$385K.

The net cash available for August is \$393.7K versus the budgeted cash available of \$351K and last year of \$334K. The distribution for August will occur on September 25th.

*Marion Harper Treskin, General Manager*

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### **Renovations are all around us!**

As summer comes to an end hotels in the city are preparing for renovations to guest rooms, public areas and meeting space. The Hyatt has completed their full renovation. The Delta Vancouver Suites will be upgrading floor by floor. Opus completed the majority of their upgrades before the summer season. The Westin Bayshore has a renovation of guest rooms planned for next month. The Sheraton Wall Centre continues to upgrade their rooms in stages. The hotels in the city hope to have all renovations completed by Q2 2009.

**Marion Harper Treskin,  
General Manager**

### **Lost Business claim in progress- deficiencies of restored rooms ongoing**

We met with the accountant hired by the adjustor to review the claim submitted. The hotel was given a list of back up documents required to support the claim. The hotel will submit these documents by end of this week. The accountant was confident that we should see the claim paid out in 2007.

Deficiency work is ongoing and is being coordinated between the hotel and Onside Restoration to complete the work.

**Lisa McCormick, Director of  
Rooms Division**