

# Canadian Hotel Industry Outlook

Q1 2024

March 21, 2024



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# CBRE Hotels



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# CBRE Hotels Financial Trends Publication

Now accepting financial statements for fiscal 2023



# Agenda

1. 2023: Looking Back
2. Leading Indicators
3. 2024 Regional Forecasts
4. National Outlook: 2024 and Beyond
5. Q&A



# 2023: Looking Back

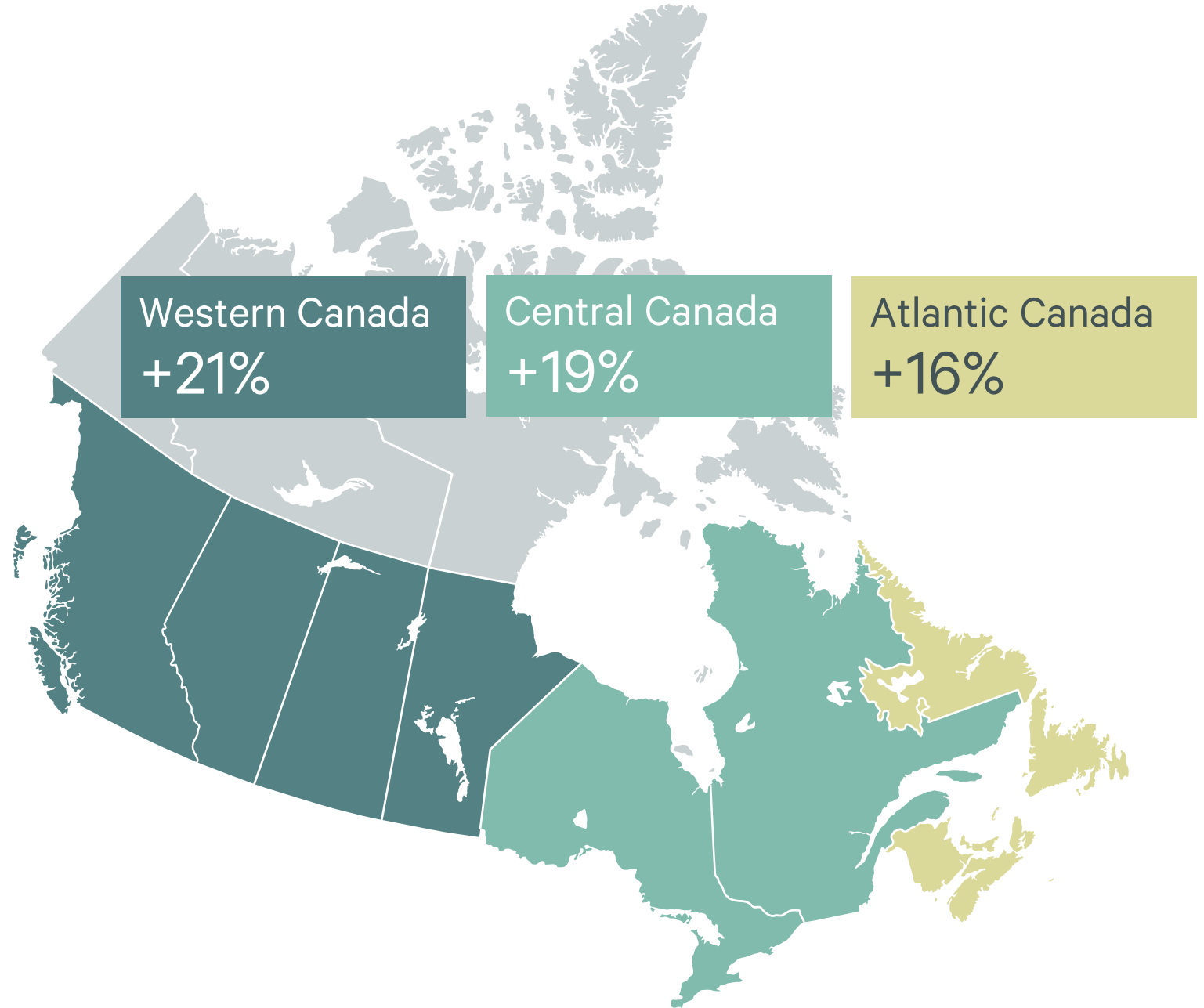
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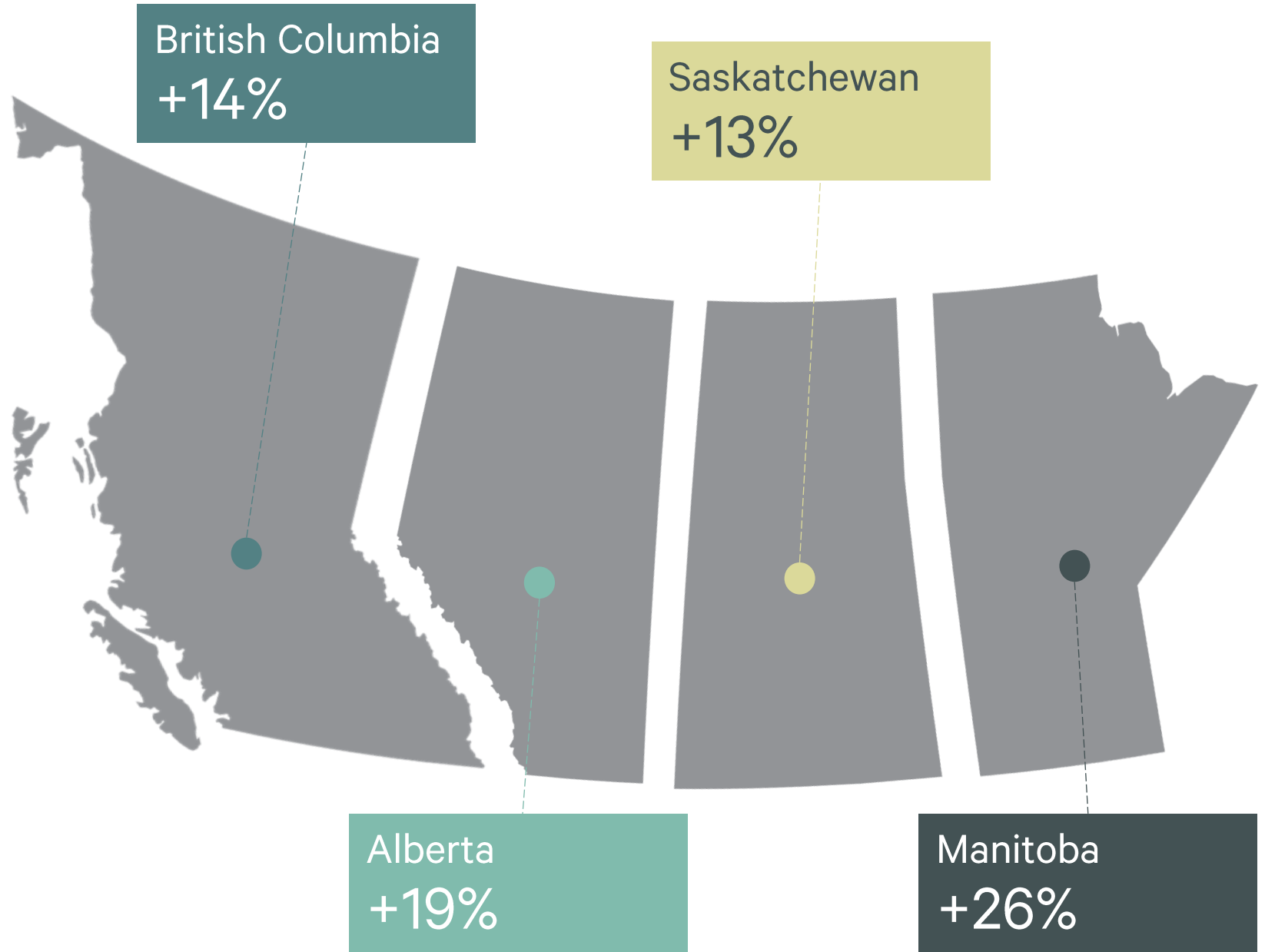


## 2023 Regional RevPAR Growth

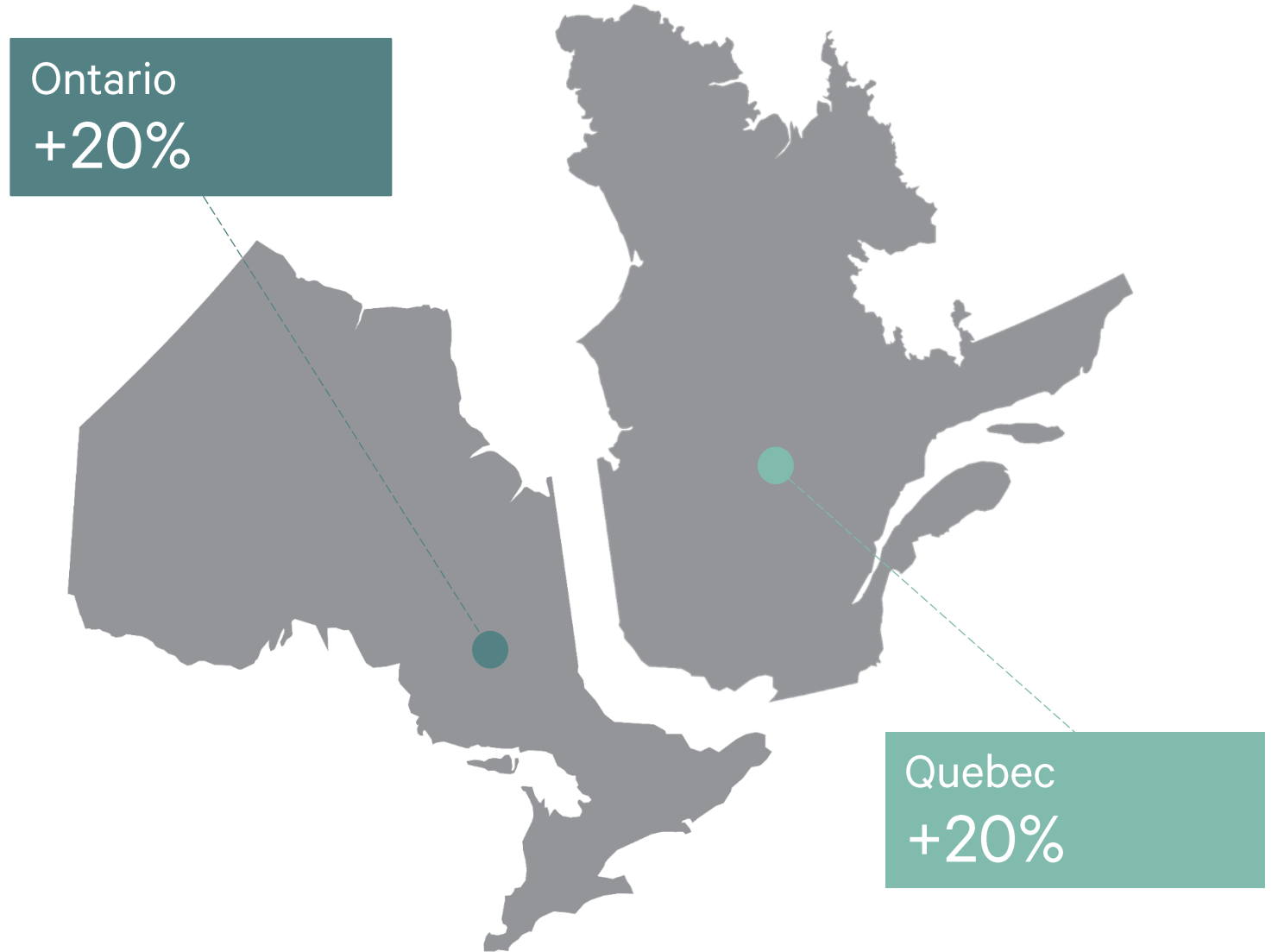
**Canada Overall: +20%**



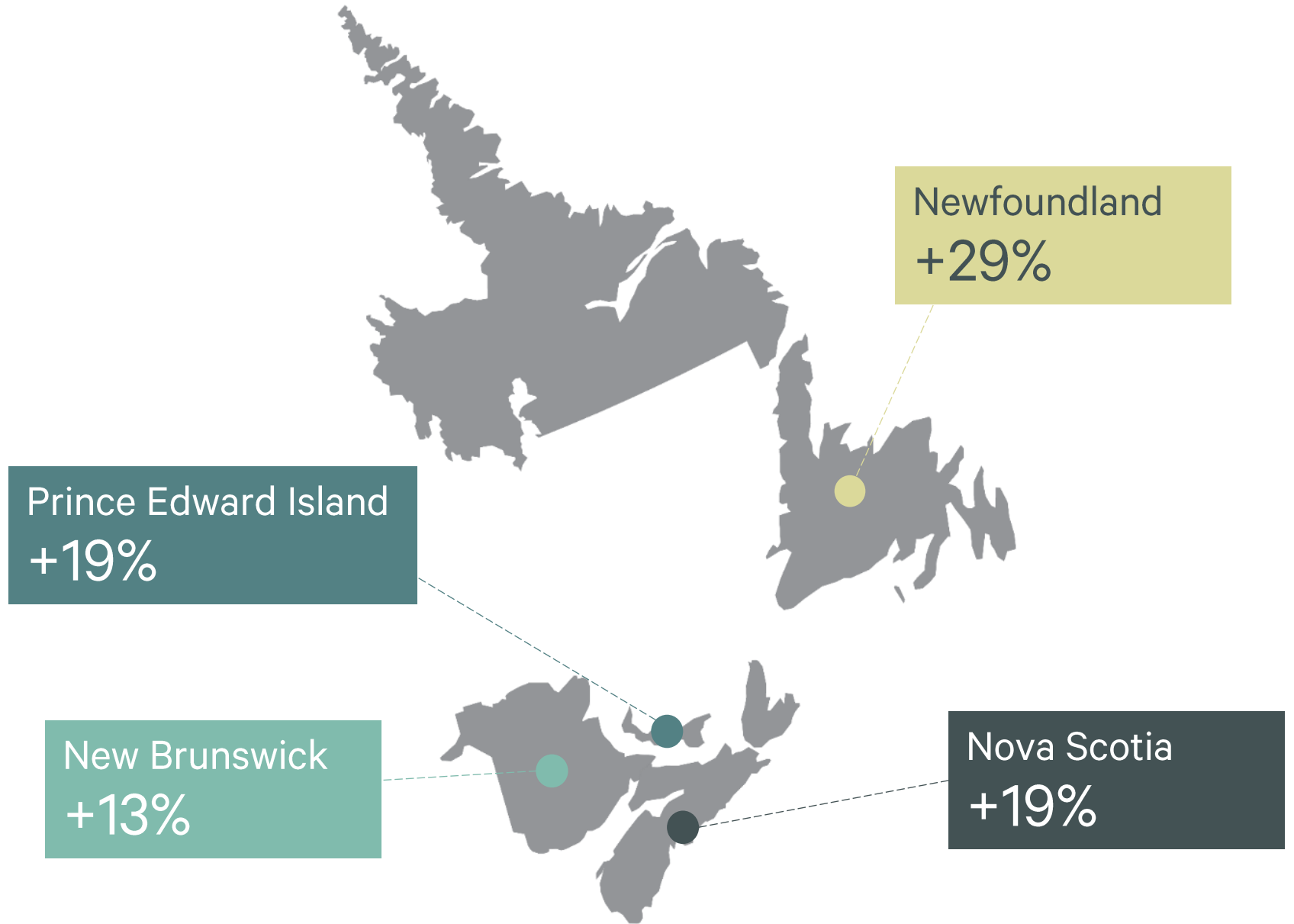
# 2023 Western Canada RevPAR Growth



# 2023 Central Canada RevPAR Growth

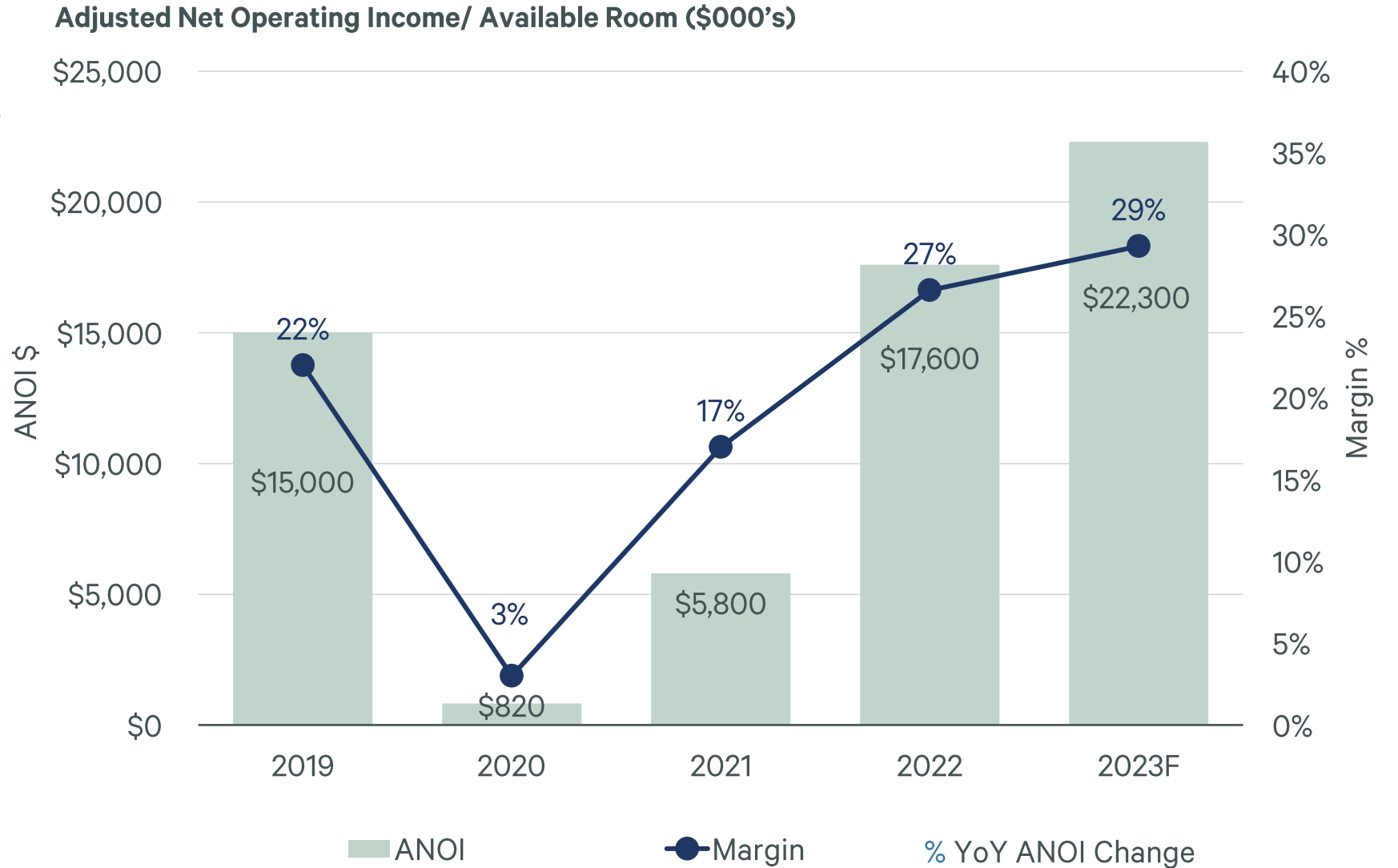


# 2023 Atlantic Canada RevPAR Growth



# National Bottom Lines

**Adjusted Net Operating Income** includes franchise fees, management fees, and capital reserve.



# Leading Indicators

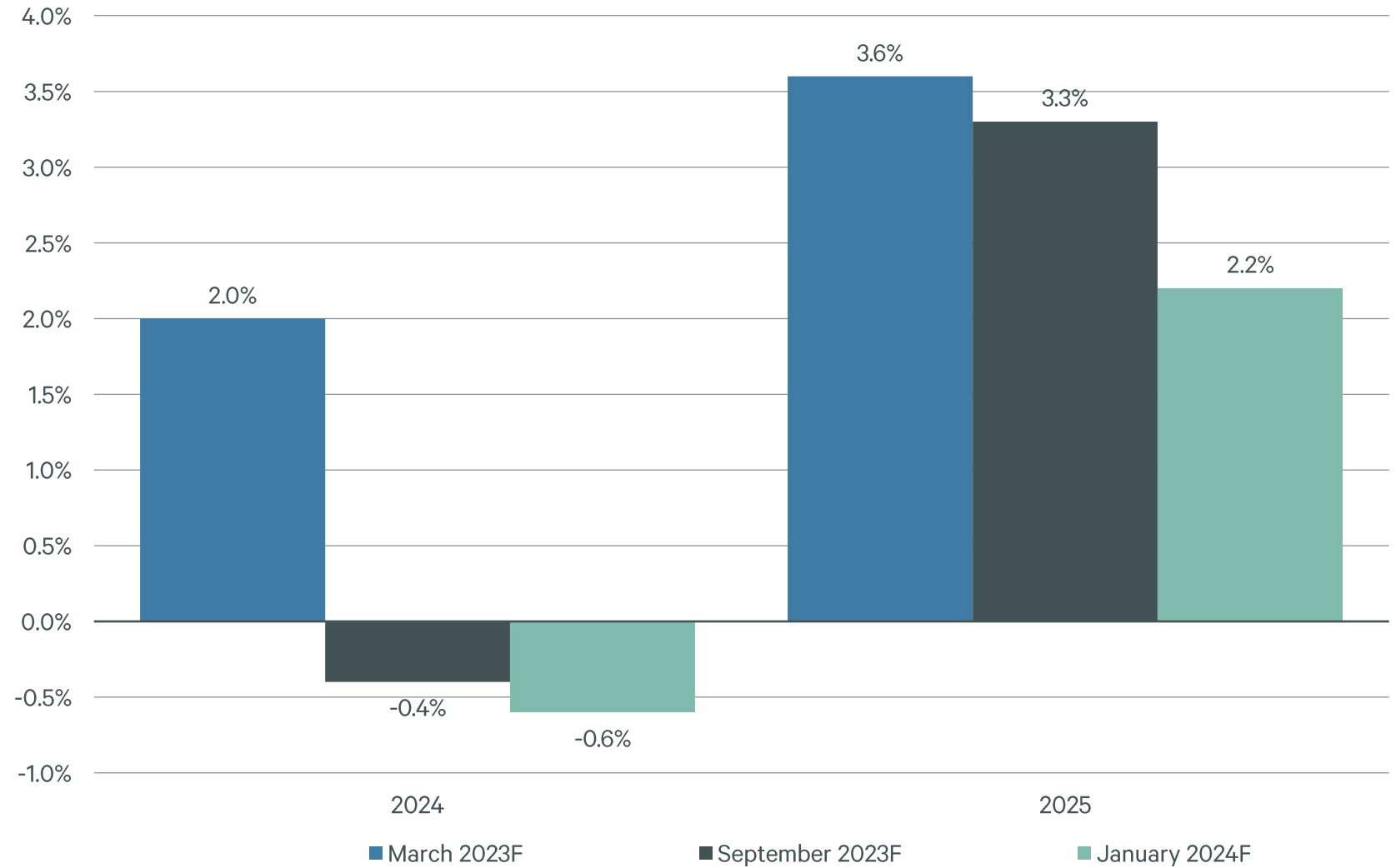
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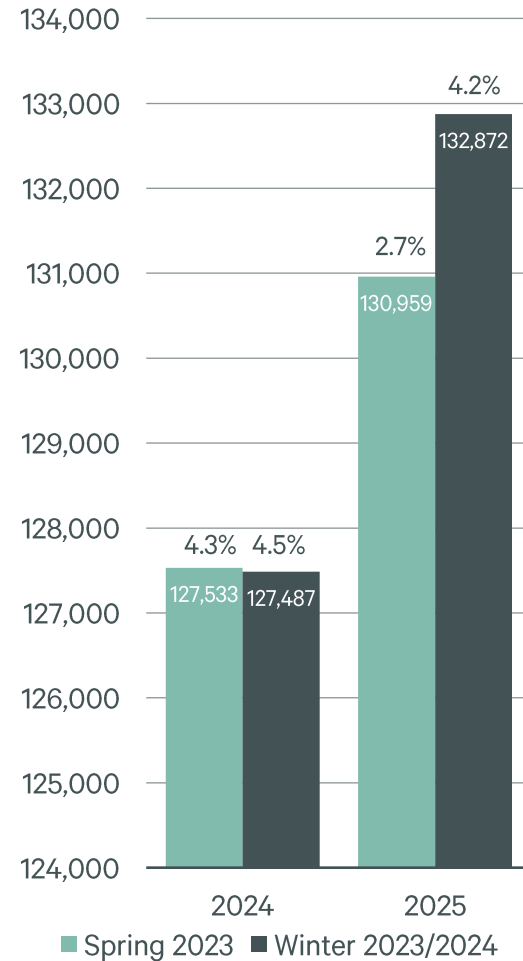
# Economic Conditions

## Annual Real GDP Change Forecast as of Release Date

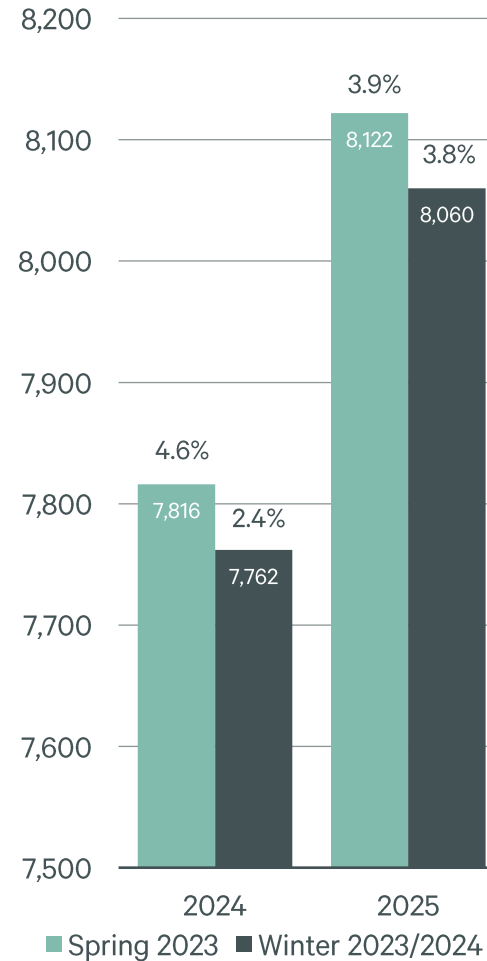


# Tourism Conditions

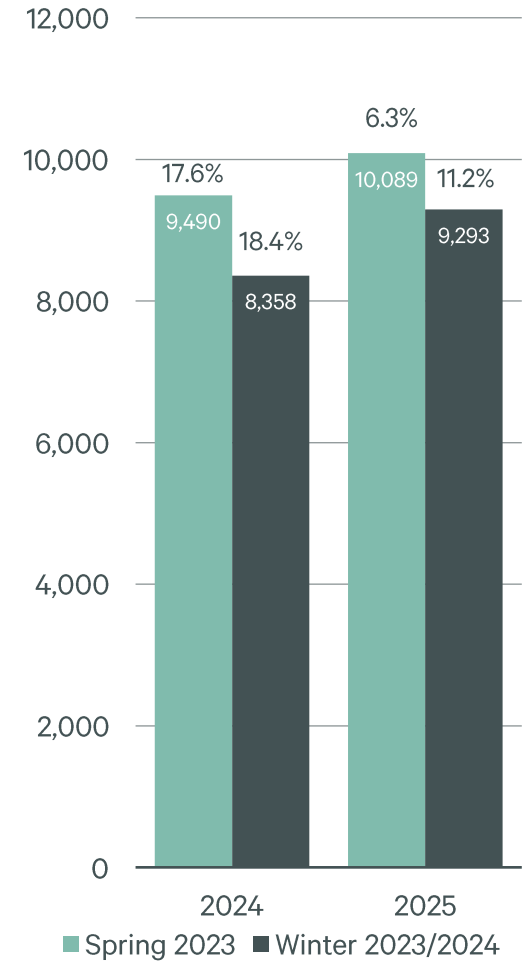
### Total Overnight Visits



### Domestic Business Visits

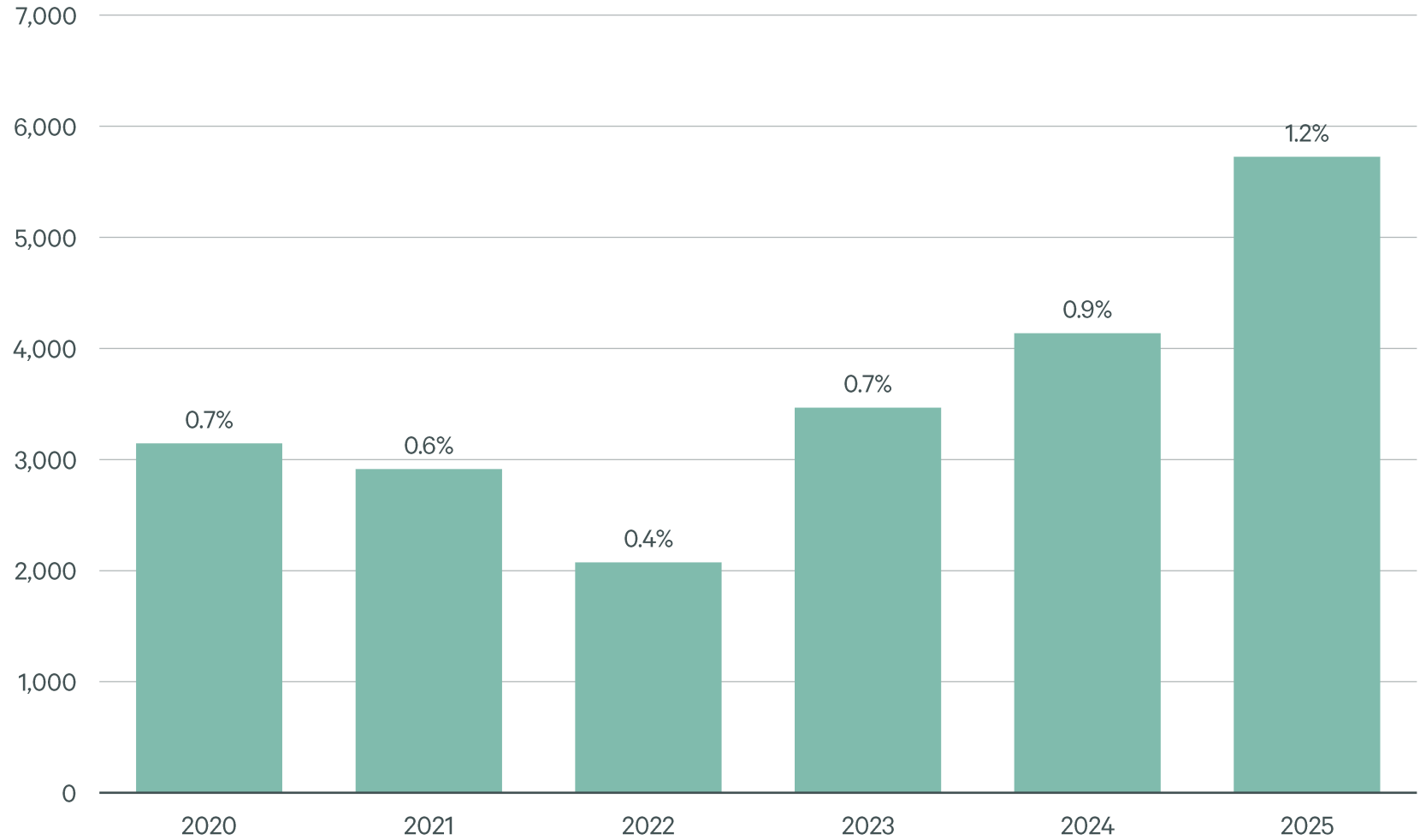


### Overseas Visits



# National Supply Curve Slowly Rebounding

Projected Supply Growth as at Q1 2024

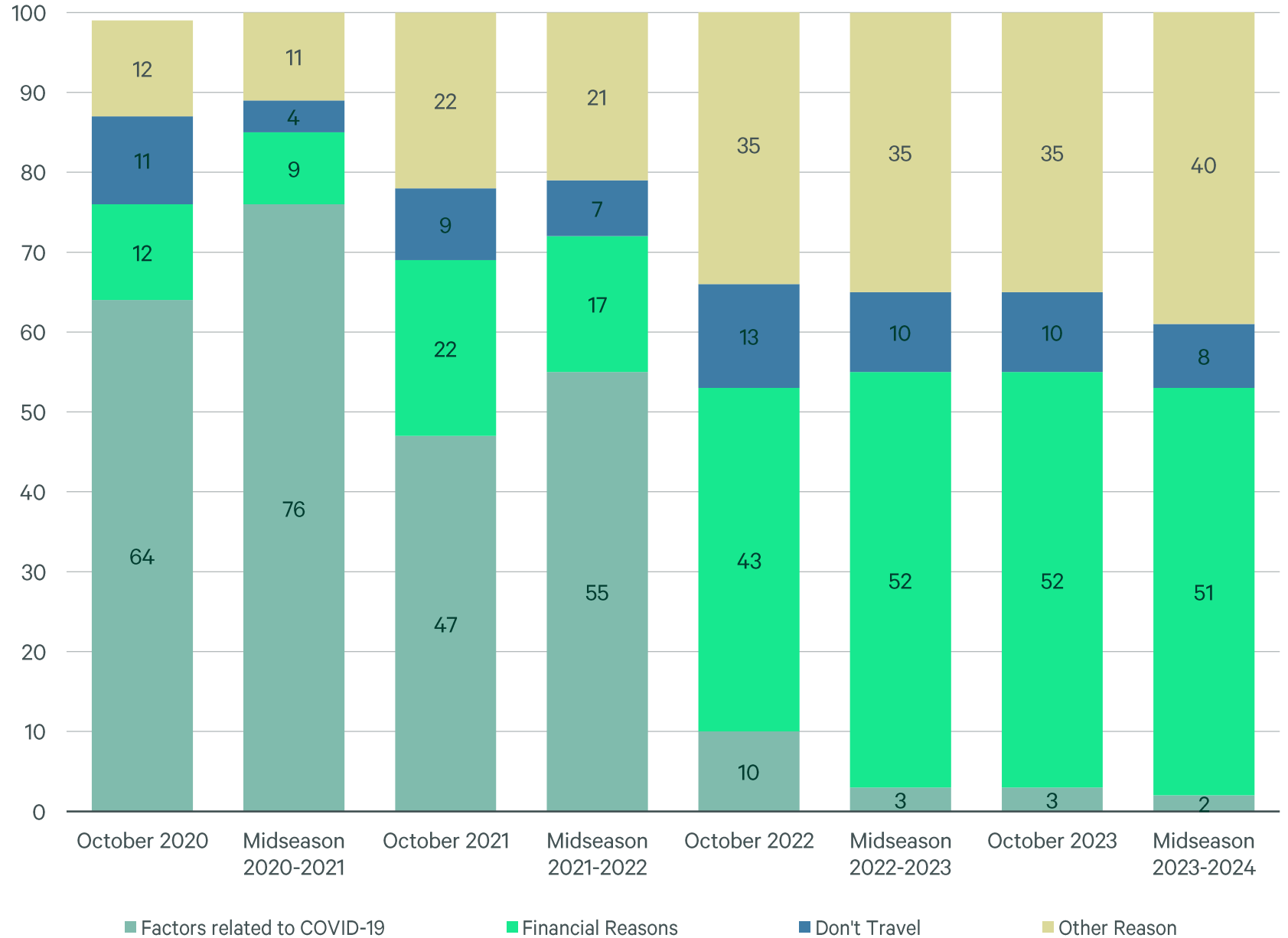


LEADING INDICATORS

# Travel Intentions - Primary Reason For Not Taking, or Unsure About Taking, An Overnight Vacation Trip

(percent of non-travelling or unsure respondents)

Source: Conference Board of Canada, 2024



# 2024 Regional Forecasts

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## BC Major Market Outlook

		2019	2021	2022	2023	2024F
<b>Vancouver</b>	Occupancy	80%	48%	74%	79%	79%
	ADR	\$219	\$167	\$237	\$268	\$277
	RevPAR	\$175	\$80	\$175	\$211	\$218
<b>BC</b>	Occupancy	71%	50%	68%	70%	70%
	ADR	\$192	\$161	\$213	\$234	\$241
	RevPAR	\$136	\$80	\$144	\$164	\$169

## AB Major Market Outlooks

		2019	2021	2022	2023	2024F
<b>Calgary</b>	Occupancy	61%	33%	58%	64%	65%
	ADR	\$145	\$119	\$157	\$175	\$180
	RevPAR	\$88	\$40	\$91	\$112	\$118
<b>Edmonton</b>	Occupancy	56%	35%	53%	58%	59%
	ADR	\$127	\$101	\$125	\$136	\$140
	RevPAR	\$71	\$35	\$65	\$79	\$83
<b>AB</b>	Occupancy	54%	37%	54%	59%	60%
	ADR	\$129	\$109	\$133	\$146	\$150
	RevPAR	\$70	\$40	\$72	\$86	\$90

## SK Major Market Outlooks

		2019	2021	2022	2023	2024F
<b>Saskatoon</b>	Occupancy	61%	39%	57%	62%	63%
	ADR	\$125	\$110	\$129	\$142	\$146
	RevPAR	\$76	\$43	\$73	\$89	\$92
<b>Regina</b>	Occupancy	57%	35%	52%	54%	55%
	ADR	\$120	\$102	\$126	\$133	\$137
	RevPAR	\$68	\$35	\$65	\$72	\$75
<b>SK</b>	Occupancy	56%	40%	54%	57%	58%
	ADR	\$119	\$108	\$124	\$134	\$136
	RevPAR	\$66	\$43	\$67	\$76	\$79

# MB Major Market Outlook

		2019	2021	2022	2023	2024F
<b>Winnipeg</b>	Occupancy	70%	40%	68%	77%	74%
	ADR	\$128	\$117	\$143	\$164	\$169
	RevPAR	\$90	\$47	\$97	\$126	\$125
<b>MB</b>	Occupancy	68%	42%	64%	71%	70%
	ADR	\$125	\$118	\$138	\$156	\$161
	RevPAR	\$85	\$49	\$89	\$112	\$112

## ON Major Market Outlooks

		2019	2021	2022	2023	2024F
<b>Toronto</b>	Occupancy	74%	44%	67%	74%	74%
	ADR	\$184	\$131	\$202	\$228	\$232
	RevPAR	\$137	\$57	\$136	\$167	\$171
<b>Ottawa</b>	Occupancy	71%	41%	62%	69%	69%
	ADR	\$167	\$130	\$177	\$196	\$202
	RevPAR	\$119	\$54	\$109	\$134	\$138
<b>Niagara Falls</b>	Occupancy	67%	33%	55%	69%	67%
	ADR	\$168	\$156	\$201	\$207	\$213
	RevPAR	\$112	\$51	\$110	\$142	\$144
<b>ON</b>	Occupancy	69%	44%	63%	68%	69%
	ADR	\$163	\$129	\$180	\$199	\$203
	RevPAR	\$112	\$57	\$113	\$135	\$138

## QC Major Market Outlooks

		2019	2021	2022	2023	2024F
<b>Montreal</b>	Occupancy	73%	33%	63%	71%	71%
	ADR	\$184	\$152	\$206	\$227	\$230
	RevPAR	\$134	\$50	\$130	\$160	\$163
<b>Quebec City</b>	Occupancy	69%	33%	57%	68%	70%
	ADR	\$177	\$164	\$215	\$223	\$230
	RevPAR	\$122	\$55	\$124	\$152	\$161
<b>QC</b>	Occupancy	68%	36%	60%	67%	67%
	ADR	\$176	\$157	\$203	\$218	\$224
	RevPAR	\$120	\$56	\$121	\$145	\$151

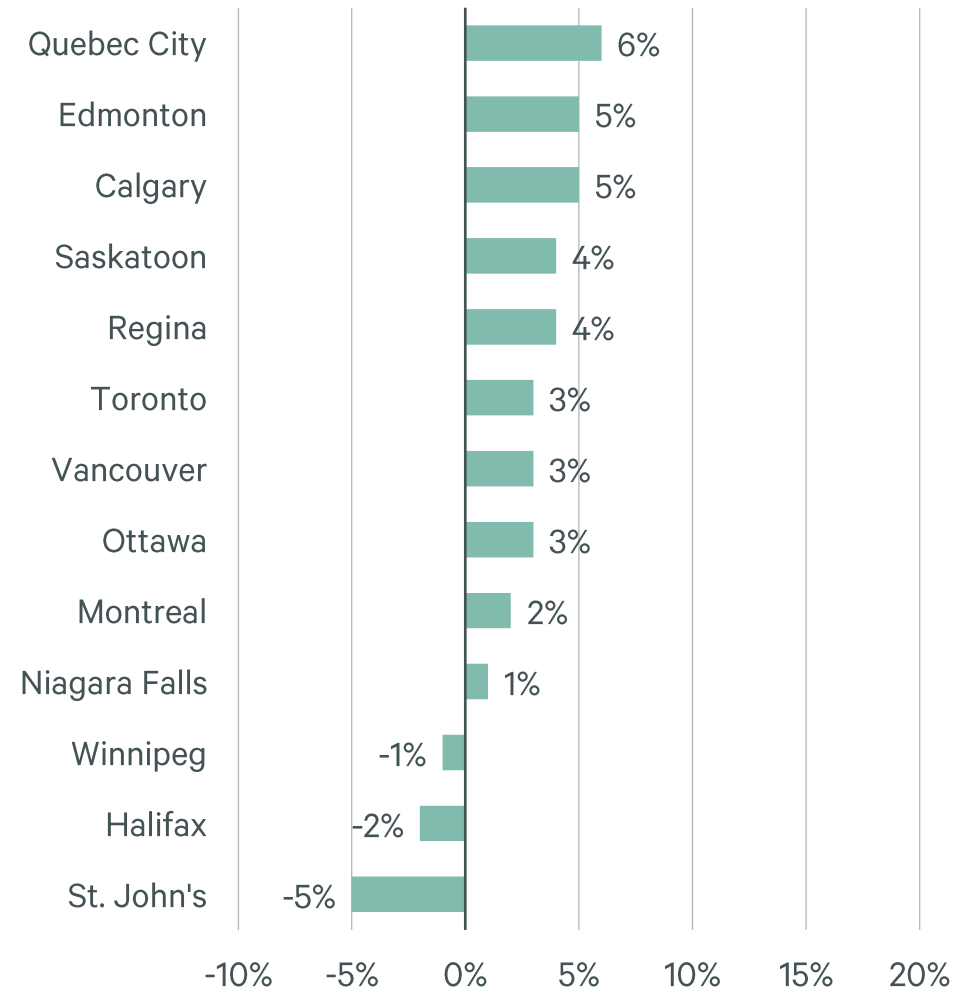
## Atlantic Major Market Outlooks

		2019	2021	2022	2023	2024F
<b>Halifax</b>	Occupancy	70%	41%	67%	71%	69%
	ADR	\$155	\$116	\$180	\$206	\$209
	RevPAR	\$108	\$47	\$120	\$147	\$143
<b>St. John's</b>	Occupancy	56%	35%	60%	73%	67%
	ADR	\$133	\$105	\$143	\$154	\$158
	RevPAR	\$74	\$37	\$85	\$112	\$106
<b>Atlantic</b>	Occupancy	61%	39%	60%	64%	63%
	ADR	\$138	\$117	\$158	\$171	\$174
	RevPAR	\$85	\$45	\$95	\$110	\$110

# 2024 Major Market Outlooks RevPAR Projection

CANADA OVERALL +3.0%

2024 RevPAR Growth over 2023



2024 RevPAR Projection Ranking

	RevPAR \$
Vancouver	\$218
Toronto	\$172
Montreal	\$163
Quebec City	\$161
Niagara Falls	\$144
Halifax	\$143
Ottawa	\$138
Winnipeg	\$125
Calgary	\$118
St. John's	\$106
Saskatoon	\$92
Edmonton	\$83
Regina	\$75

# National Outlook: 2024 and Beyond

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# 2024 to 2026 Long Range Outlook

	Indicator			Year Over Year Change				
	Occ	ADR	RevPAR	Supply	Demand	Occ	ADR	RevPAR
<b>HISTORIC</b>								
2019	65%	\$163	\$106	1.4%	0.8%	-1 pt	5%	5%
2020	30%	\$128	\$39	0.7%	-53.5%	-35 pts	-22%	-64%
2021	41%	\$135	\$56	0.5%	38.7%	11 pts	5%	45%
2022	61%	\$179	\$109	0.5%	47.4%	20 pts	33%	95%
2023	66%	\$197	\$129	0.3%	8.8%	5 pts	11%	20%
<b>OUTLOOK</b>								
2024	66%	\$202	\$133	0.9%	1.5%	0 pts	2.5%	3.0%
2025	67%	\$207	\$137	1.2%	1.9%	1 pt	2.5%	3.0%
2026	66%	\$211	\$140	1.7%	1.6%	-1 pt	2.1%	2.0%



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