

NATIONAL MARKET REPORT

December 2018

- In December 2018, the national hotel sample experienced a 0.2 point increase in occupancy from December 2017 to finish at 50.2%.
- The December 2018 average daily room rate for hotels tracked increased by 3.2% to \$152.08 compared with \$147.43 in December 2017.
- Revenue per available room for our sample increased by 3.5% to \$76.28 in December 2018 compared with \$73.68 in December 2017.

2019 MARKET FORECAST

NATIONAL OUTLOOK

In the summer of 2018, CBRE Hotels released our year end 2018 accommodation industry forecasts. Our 2018 forecast, published in the June 2018 Trends issue, projected occupancy nationally to remain flat at 66% in 2018 with average daily rate forecast to increase by 4.5%, resulting in an expected increase of 5.5% in RevPAR. Actual results show the industry to have finished 2018 exactly as projected.

Our national forecast for 2019 calls for 4% growth in RevPAR, fuelled largely by growth in ADR. Our projection for 2% demand growth is being offset by an expected 2% increase in national supply. Despite our projections for positive demand growth in every major market, there are a number of markets where occupancy is projected to remain flat due to expected increases in market supply.

NATIONAL MARKET PERFORMANCE					
	2016	2017	2018	2019	2018-19
	Actual	Actual	Actual	Forecast	Change
National					
Occ	64%	66%	66%	66%	-
ADR	\$146	\$155	\$162	\$168	4.0%
RevPAR	\$94	\$102	\$107	\$112	4.0%

2018 Year End

With stronger improvements than expected in both occupancy and ADR, the following markets finished 2018 ahead of our summer 2018 RevPAR forecasts.

- **Calgary** – finishing 2018 up by 8% from our original forecast of 5%
- **Quebec City**– finishing 2018 up by 7% from our original forecast of 4.5%
- **Niagara Falls**– finishing 2018 up by 2% from our original forecast of 1%

Despite projections for RevPAR declines, the following markets finished 2018 ahead of our summer 2018 RevPAR forecasts.

- **Saskatoon** – finishing 2018 flat to 2017 from our original forecast of (1%)
- **St. John's** – finishing 2018 down 20% from our original forecast of (21%)

Due to weaker than expected results in occupancy and/or ADR, the following markets finished 2018 below our summer 2018 RevPAR forecasts.

- **Edmonton** – finishing 2018 up by 1% from our original forecast of 2%
- **Toronto** – finishing 2018 up by 7% from our original forecast of 8.5%
- **Regina** – finishing 2018 up by 6% from our original forecast of 7.5%
- **Halifax** – finishing 2018 up by 3.5% from our original forecast of 4.5%

Vancouver, Winnipeg, Ottawa and Montreal finished 2018 as projected.

2019 Outlook

As noted, in light of stronger performance in 2018, some of our original expectations for 2019 have been increased, while tempered performance is expected in Winnipeg. Our original projections for Edmonton, Calgary, Regina, Montreal, Quebec City, Halifax and St. John's remain unchanged.

Revised Upwards

- **Saskatoon** – RevPAR now projected to be up by 1% from our original projection of a 0.5% decline
- **Ottawa** – RevPAR now projected to be up by 2% from our original projection of a 0.5% decline
- **Niagara Falls** – RevPAR now projected to be up by 4% from our original projection of 2.5% growth
- **Toronto** – RevPAR now projected to be up by 6% from our original projection of 5.5%
- **Vancouver** – RevPAR now projected to be up by 8.5% from our original projection of 8.0%

Revised Downwards

- **Winnipeg** – RevPAR now projected to be up 2% from our original projection of 4% growth

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MAJOR MARKET OUTLOOKS

Our Major Market Outlooks for the 6 major Western Canadian cities and 7 Eastern Canadian cities are summarized below. Based on year end 2018 results, and changing economic factors, we have revised our 2019 projections for these 13 major markets from our original fall 2018 Outlooks.

MAJOR MARKET OUTLOOKS - WESTERN CANADA						
		2016	2017	2018	2019	2018-19
		Actual	Actual	Actual	Forecast	Change
Vancouver	Occ	79%	79%	80%	81%	1.0 pt
	ADR	\$174	\$190	\$212	\$229	8.0%
	RevPAR	\$137	\$150	\$170	\$184	8.5%
Calgary	Occ	58.5%	59%	63%	62%	(1.0 pt)
	ADR	\$145	\$143	\$146	\$149	2.0%
	RevPAR	\$85	\$85	\$92	\$93	1.0%
Edmonton	Occ	59%	57%	59%	58%	(1.0 pt)
	ADR	\$130	\$130	\$129	\$130	1.0%
	RevPAR	\$77	\$74	\$75	\$76	0.5%
Regina	Occ	59%	56%	60%	61%	1.0 pt
	ADR	\$128	\$121	\$120	\$121	1.0%
	RevPAR	\$75	\$68	\$72	\$74	3.0%
Saskatoon	Occ	60%	60%	61%	61%	0.0 pt
	ADR	\$133	\$125	\$124	\$125	1.0%
	RevPAR	\$79	\$75	\$75	\$76	1.0%
Winnipeg	Occ	66%	71%	70%	71%	1.0 pt
	ADR	\$124	\$126	\$129	\$131	2.0%
	RevPAR	\$82	\$89	\$90	\$92	2.5%
MAJOR MARKET OUTLOOKS - EASTERN CANADA						
		2016	2017	2018	2019	2018-19
		Actual	Actual	Actual	Forecast	Change
Toronto	Occ	74%	75.5%	76%	76%	0.0 pt
	ADR	\$160	\$172	\$183	\$194	6.0%
	RevPAR	\$119	\$130	\$139	\$147	6.0%
Niagara Falls	Occ	67%	68%	67%	68%	1.0 pt
	ADR	\$160	\$161	\$167	\$171	2.5%
	RevPAR	\$107	\$109	\$112	\$117	4.0%
Ottawa	Occ	72%	75%	73.5%	73%	(0.5 pt)
	ADR	\$156	\$172	\$169	\$175	3.0%
	RevPAR	\$113	\$128	\$124	\$127	2.0%
Montreal	Occ	73%	75%	72.5%	72%	(0.5 pt)
	ADR	\$163	\$175	\$179	\$186	4.0%
	RevPAR	\$118	\$131	\$130	\$135	3.5%
Quebec City	Occ	66%	68%	69%	70%	1.0 pt
	ADR	\$164	\$168	\$177	\$182	3.0%
	RevPAR	\$108	\$114	\$122	\$128	4.5%
Halifax/Dartmouth	Occ	68%	72%	70%	68%	(2.0 pt)
	ADR	\$136	\$149	\$158	\$164	4.0%
	RevPAR	\$93	\$107	\$111	\$111	0.0%
St. John's	Occ	61%	62.5%	52.5%	51%	(1.5 pt)
	ADR	\$151	\$149	\$142	\$142	0.0%
	RevPAR	\$93	\$93	\$74	\$73	(2.5%)



HOTEL ASSOCIATION OF CANADA
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