

NATIONAL MARKET REPORT

June 2018

- In June 2018, the CBRE national hotel sample achieved a 74.4% occupancy level, a 1.3 percentage point increase from June 2017.
- In June 2018, the national average daily room rate for hotels tracked by CBRE increased by 6.0% from June 2017 to \$175.72.
- Revenue per available room for CBRE's sample increased by 7.8% to \$130.80 in June 2018 from \$121.31 in June 2017.

2018 MARKET FORECAST

NATIONAL OUTLOOK

The industry finished 2017 up two points in occupancy at 66% and up \$7 in ADR at \$155. In our original 2018 forecast published in the December 2017 "Trends" issue, we had projected for occupancy to remain flat at 66% and rate to increase by \$6 to finish at \$161. Overall, RevPAR was projected to improve 5% for 2018. As we sit halfway through the year, while some of our projections for the major markets have changed from last time, the overall roll up for the national results is mostly in line with our original projections. As such, we have maintained our 2018 national forecast to finish the year at 66% occupancy, but at a slight bump up in rate to \$162 ADR – moving to a 5.5% increase in RevPAR over 2017, just a half point above our original projection.

Trending Upward

With stronger improvements in both occupancy and ADR, we have revised our original 2018 RevPAR forecasts upward in the following markets:

- **Vancouver** – upwards from 7.5% to 13.0%
- **Regina** – upwards from 2.5% to 7.5%
- **Calgary** – upwards from 1.0% to 5.0%
- **Toronto** – upwards from 6.0% to 8.5%
- **Halifax** – upwards from 2.0% to 4.5%
- **Quebec City** – upwards from 3.0% to 4.5%

In Edmonton, our RevPAR projection for 2.0% growth remains unchanged.

Trending Downward

With weaker performance in both occupancy and ADR, we have revised our original 2018 RevPAR forecasts downward, most notably in St. John's, Ottawa, and Montreal.

- **St. John's** - downward from a (6.0%) decrease to a (21.0%) decrease
- **Ottawa** - downward from 1.0% growth to a (3.0%) decrease
- **Montreal** – downward from 3.5% growth to a (1.0%) decrease
- **Saskatoon** – downward from being flat to a (1.0%) decrease
- **Winnipeg** – downward from 3.0% growth to 1.0% growth
- **Niagara Falls** – downward from 4.0% growth to 1.0% growth

NATIONAL MARKET PERFORMANCE

	2015 Actual	2016 Actual	2017 Actual	2018 Forecast	2017-18 Change
National					
Occ	64%	64%	66%	66%	--
ADR	\$144	\$148	\$155	\$162	4.5%
RevPAR	\$91	\$94	\$102	\$107	5.5%

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MAJOR MARKET OUTLOOKS

Our Major Market Outlooks consist of six Western Canadian cities and seven Eastern Canadian cities. Based on year to date results and our forecasts for the balance of the year, we have also revised our 2018 forecasts for the 13 major markets.

MAJOR MARKET OUTLOOKS - WESTERN CANADA

		2015 Actual	2016 Actual	2017 Actual	2018 Forecast	2017-18 Change
Vancouver	Occ	76%	79%	79%	81%	2 pts-
	ADR	\$163	\$174	\$190	\$210	11.0%
	RevPAR	\$124	\$137	\$150	\$170	13.0%
Calgary	Occ	64%	59%	59%	62%	3 pts
	ADR	\$158	\$145	\$143	\$144	0.5%
	RevPAR	\$102	\$85	\$85	\$89	5.0%
Edmonton	Occ	63%	59%	57%	59%	2 pts
	ADR	\$136	\$130	\$130	\$129	(1.0%)
	RevPAR	\$86	\$77	\$74	\$76	2.0%
Regina	Occ	62%	59%	56%	60%	4 pts
	ADR	\$131	\$128	\$121	\$123	1.0%
	RevPAR	\$82	\$75	\$68	\$73	7.5%
Saskatoon	Occ	65%	60%	60%	61%	1 pt
	ADR	\$146	\$133	\$125	\$122	(3.0%)
	RevPAR	\$95	\$79	\$75	\$74	(1.0%)
Winnipeg	Occ	63%	66%	71%	70%	(1 pt)
	ADR	\$126	\$124	\$126	\$130	3.0%
	RevPAR	\$79	\$82	\$89	\$90	1.0%

MAJOR MARKET OUTLOOKS - EASTERN CANADA

		2015 Actual	2016 Actual	2017 Actual	2018 Forecast	2017-18 Change
Toronto	Occ	71%	74%	76%	77%	1 pt
	ADR	\$149	\$160	\$172	\$184	7.0%
	RevPAR	\$106	\$119	\$130	\$141	8.5%
Niagara Falls	Occ	64%	67%	68%	68%	--
	ADR	\$157	\$160	\$161	\$163	1.0%
	RevPAR	\$101	\$107	\$109	\$111	1.0%
Ottawa	Occ	72%	72%	75%	74%	(1 pt)
	ADR	\$151	\$156	\$172	\$168	(2.0%)
	RevPAR	\$109	\$113	\$128	\$124	(3.0%)
Montreal	Occ	71%	73%	75%	72%	(3 pts)
	ADR	\$154	\$163	\$175	\$180	3.0%
	RevPAR	\$109	\$118	\$131	\$130	(1.0%)
Quebec City	Occ	63%	66%	68%	68%	--
	ADR	\$158	\$164	\$168	\$175	4.0%
	RevPAR	\$100	\$108	\$114	\$119	4.5%
Halifax/Dartmouth	Occ	64%	68%	72%	70%	(2 pts)
	ADR	\$133	\$136	\$149	\$159	6.5%
	RevPAR	\$85	\$93	\$107	\$112	4.5%
St. John's	Occ	65%	61%	63%	50%	(13 pts)
	ADR	\$154	\$151	\$149	\$146	(1.5%)
	RevPAR	\$101	\$93	\$93	\$74	(21.0%)

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