

NATIONAL MARKET REPORT

June 2019

- In June 2019, the CBRE national hotel sample achieved a 73.9% occupancy level, a 0.8 percentage point decrease from June 2018.
- In June 2019, the national average daily room rate for hotels tracked by CBRE increased by 1.4% from June 2018 to \$178.83.
- Revenue per available room for CBRE's sample increased by 0.4% to \$132.07 in June 2019 from \$131.59 in June 2018.

2019 MARKET FORECAST

NATIONAL OUTLOOK

The industry finished 2018 at 66% occupancy, unchanged from the previous year. ADR finished at \$162, up \$7 from 2017. In our original 2019 forecast published in the December 2018 "Trends" issue, we had projected for occupancy to remain flat at 66% and rate to increase by \$6 to finish at \$168. Overall, RevPAR was projected to improve 4% for 2019. As we sit halfway through the year, some of our projections for the major markets have changed from our last publication, particularly in terms of ADR. The overall roll up for the national results is now slightly subdued from our original projections. We have maintained our 2019 national forecast to finish the year at 66% occupancy, but at a slight decrease in rate to \$166 ADR – moving to a 2.3% increase in RevPAR over 2018.

Trending Upward

With stronger improvements in both occupancy and ADR, we have revised our original 2019 RevPAR forecasts upward in the following markets.

- **Montreal** – upwards from 3.5% to 4.3%
- **Niagara Falls** – upwards from 4.0% to 4.7%

While we remain optimistic, with respect to rate growth, we have downgraded our RevPAR growth projections:

- **Vancouver** – 7.3% growth, revised from 8.5%
- **Toronto** – 0.5% growth, revised from 6.0%
- **Quebec City** – 2.0% growth, revised from 4.5%
- **Saskatoon** – 0.5% growth, revised from 1.0%
- **Winnipeg** – 0.2% growth, revised from 2.5%

Trending Downward

With weaker performance in both occupancy and ADR, we have revised our original 2019 RevPAR forecasts downward, most notably in St. John's, Ottawa, and Regina.

- **St. John's** - downward from a 2.5% decrease to a 5.3% decrease
- **Ottawa** - downward from 2.0% growth to a 0.7% decrease
- **Regina** – downward from 3.0% growth to an 8.8% decrease
- **Calgary** – downward from 1.0% growth to a 3.3% decrease
- **Edmonton** – downward from 0.5% growth to a 3.5% decrease
- **Halifax** – downward from flat growth to a 1.4% decrease

NATIONAL MARKET PERFORMANCE

	2016 Actual	2017 Actual	2018 Actual	2019 Forecast	2018-19 Change
National					
Occ	64%	66%	66%	66%	--
ADR	\$146	\$155	\$162	\$166	2.5%
RevPAR	\$94	\$102	\$107	\$110	2.3%

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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 2019 forecasts for the 13 major markets.

MAJOR MARKET OUTLOOKS - WESTERN CANADA

		2016 Actual	2017 Actual	2018 Actual	2019 Forecast	2018-19 Change
Vancouver	Occ	79%	79%	80%	81%	1 pt
	ADR	\$174	\$191	\$212	\$226	6.7%
	RevPAR	\$137	\$151	\$170	\$182	7.3%
Calgary	Occ	59%	59%	63%	60%	(3 pts)
	ADR	\$145	\$144	\$146	\$147	0.4%
	RevPAR	\$85	\$85	\$92	\$89	(3.3%)
Edmonton	Occ	59%	57%	59%	57%	(2 pts)
	ADR	\$130	\$130	\$129	\$127	(1.3%)
	RevPAR	\$77	\$74	\$75	\$73	(3.5%)
Regina	Occ	59%	56%	60%	57%	(3 pt)
	ADR	\$128	\$121	\$120	\$116	(3.5%)
	RevPAR	\$75	\$68	\$72	\$65	(8.8%)
Saskatoon	Occ	60%	60%	61%	60%	(1 pt)
	ADR	\$133	\$125	\$124	\$125	1.0%
	RevPAR	\$79	\$75	\$75	\$76	0.5%
Winnipeg	Occ	66%	71%	70%	70%	--
	ADR	\$124	\$126	\$129	\$129	0.5%
	RevPAR	\$82	\$89	\$90	\$90	0.2%

MAJOR MARKET OUTLOOKS - EASTERN CANADA

		2016 Actual	2017 Actual	2018 Actual	2019 Forecast	2018-19 Change
Toronto	Occ	74%	76%	76%	75%	(1 pt)
	ADR	\$160	\$172	\$183	\$187	2.2%
	RevPAR	\$119	\$130	\$139	\$140	0.4%
Niagara Falls	Occ	67%	68%	67%	68%	1 pt
	ADR	\$160	\$161	\$167	\$173	4.0%
	RevPAR	\$107	\$109	\$112	\$117	4.7%
Ottawa	Occ	72%	75%	74%	72%	(2 pt)
	ADR	\$156	\$172	\$169	\$173	2.1%
	RevPAR	\$113	\$128	\$124	\$123	(0.7%)
Montreal	Occ	73%	75%	73%	74%	1 pt
	ADR	\$163	\$175	\$179	\$185	2.9%
	RevPAR	\$118	\$131	\$130	\$136	4.3%
Quebec City	Occ	66%	68%	69%	69%	--
	ADR	\$164	\$168	\$177	\$180	2.0%
	RevPAR	\$108	\$114	\$122	\$124	2.0%
Halifax/Dartmouth	Occ	68%	72%	70%	70%	--
	ADR	\$136	\$149	\$158	\$157	(0.5%)
	RevPAR	\$93	\$107	\$111	\$109	(1.4%)
St. John's	Occ	61%	63%	53%	54%	1 pt
	ADR	\$151	\$149	\$142	\$130	(8.0%)
	RevPAR	\$93	\$93	\$74	\$70	(5.3%)

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