



GREATER TORONTO
HOTEL ASSOCIATION

Speaker Series

The GTHA has adopted a competition compliance policy and is vigilant in ensuring that all of its actions are in compliance with Canadian competition law. We remind our members that, as competitors, they should not discuss any issues relating to pricing or future individual hotel marketing or strategic plans during this meeting, or at any time.

GREATER TORONTO HOTEL ASSOCIATION

CBRE HOTELS ACCOMMODATION INDUSTRY OUTLOOK

2016/17

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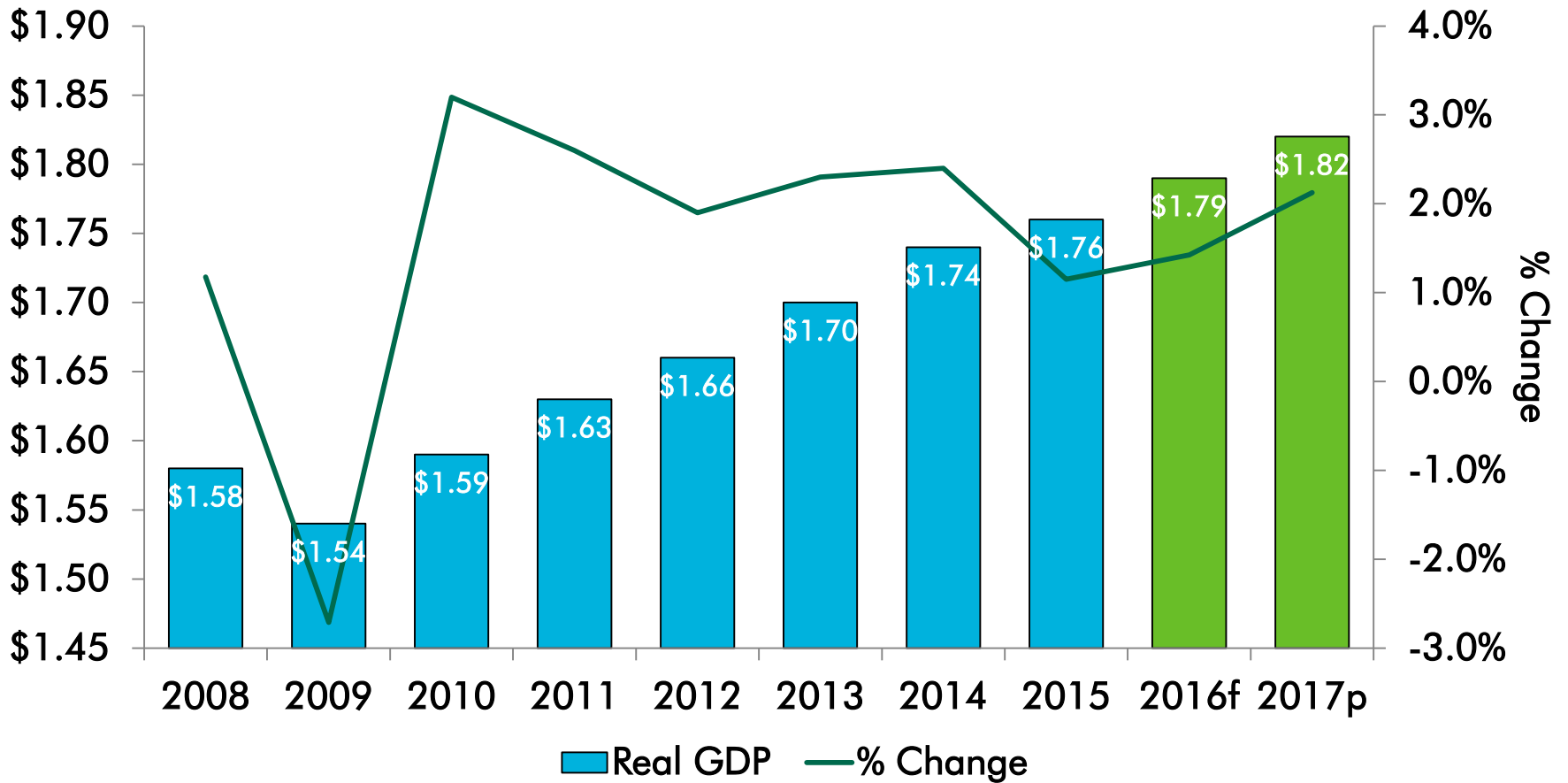
CBRE Limited

ECONOMIC AND TRAVEL OUTLOOKS

CBRE



NATIONAL ECONOMIC OUTLOOK – 2016/17



Source: Statistics Canada, Conference Board of Canada, Canadian Outlook Summer 2016, Scotiabank Group – Global Forecast Update August 2016; CIBC World Markets – Monthly FX Outlook, 2016; RBC – Economic and Financial Market Outlook – 2016

Source: CBRE Hotels

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NATIONAL TRAVEL OUTLOOK 2015/16

Overnight Travel	2015	2016 Estimate	2017 Forecast
Business travel domestic	0.6%	1.1%	2.4%
Pleasure travel domestic	2.6%	2.2%	3.2%
Total domestic travel	1.9%	1.9%	2.7%
U.S. Travel	7.7%	5.6%	3.4%
Overseas travel	5.5%	5.6%	5.6%
Total Overnight Travel	2.6%	2.6%	2.9%
National accommodation demand growth	0.2%	0.6%	2.4%

Source: Canadian Tourism Research Institute, Conference Board of Canada, Preliminary Fall 2016

Source: CBRE Hotels

NATIONAL MARKET & FINANCIAL OUTLOOKS

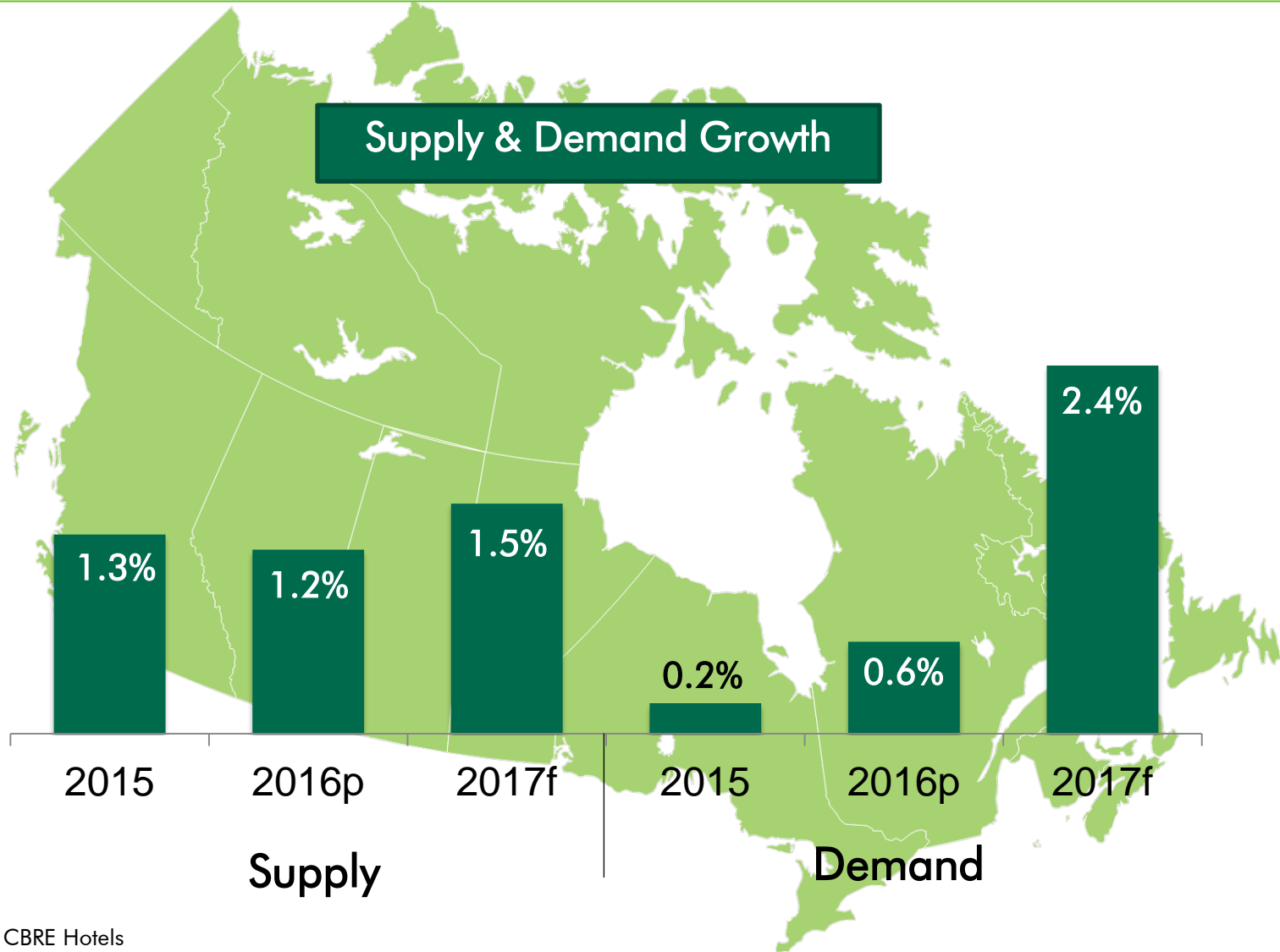
2016/17

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NATIONAL SUPPLY & DEMAND OUTLOOK



Source: CBRE Hotels

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NATIONAL TOP LINE OUTLOOK

	2014	2015	2016P	2017F
Occupancy	64%	64%	63%	64%
ADR	\$137	\$144	\$147	\$152
RevPAR	\$88	\$91	\$93	\$97

Source: CBRE Hotels

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NATIONAL ADR, REVPAR & BOTTOM LINE OUTLOOK

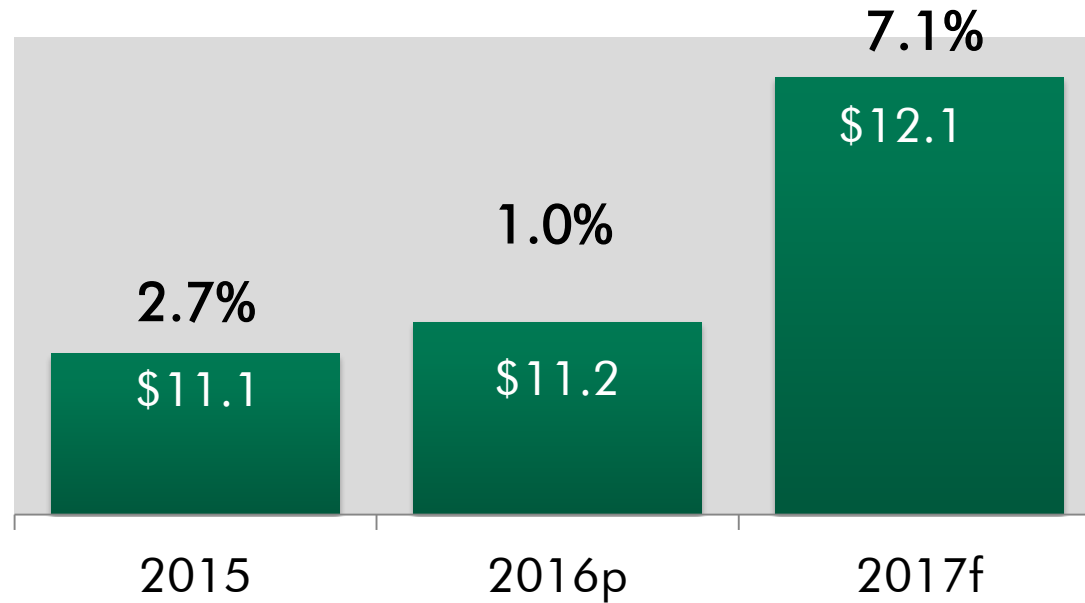
National ADR Growth

2015 Actual	4.7%
2016 Projection	2.4%
2017 Forecast	3.3%

National RevPAR Growth

2015 Actual	3.5%
2016 Projection	1.7%
2017 Forecast	4.2%

**Adjusted
Net
Operating
Income/
Available
Room
(\$000's)**



Source: CBRE Hotels

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ONTARIO MARKET & FINANCIAL OUTLOOKS

2016/17

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ONTARIO ECONOMIC INDICATORS

	2015 Actual	2016 Forecast	2017 Forecast
Manufacturing Employment	(1.3%)	0.8%	1.7%
Construction Employment	8.7%	(2.3%)	0.4%
Service Sector Employment	2.9%	1.5%	1.8%
GDP Growth	2.6%	2.8%	2.6%

Source: Conference Board of Canada, Metropolitan Outlook, Spring 2016/Summer 2016

Source: CBRE Hotels

Source: CBRE Hotels

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PROVINCIAL TRAVEL OUTLOOK 2015 - 2017

Overnight Travel	2015	2016 Estimate	2017 Forecast
Business travel domestic	2.4%	2.1%	2.4%
Pleasure travel domestic	3.3%	2.5%	3.1%
Total domestic travel	1.9%	2.4%	2.7%
U.S. Travel	8.4%	5.7%	3.1%
Overseas travel	6.3%	5.8%	5.4%
Total Overnight Travel	3.3%	2.9%	2.8%
Provincial accommodation demand growth	2.4%	2.5%	2.5%

Source: Canadian Tourism Research Institute, Conference Board of Canada, Preliminary Fall 2016

Source: CBRE Hotels

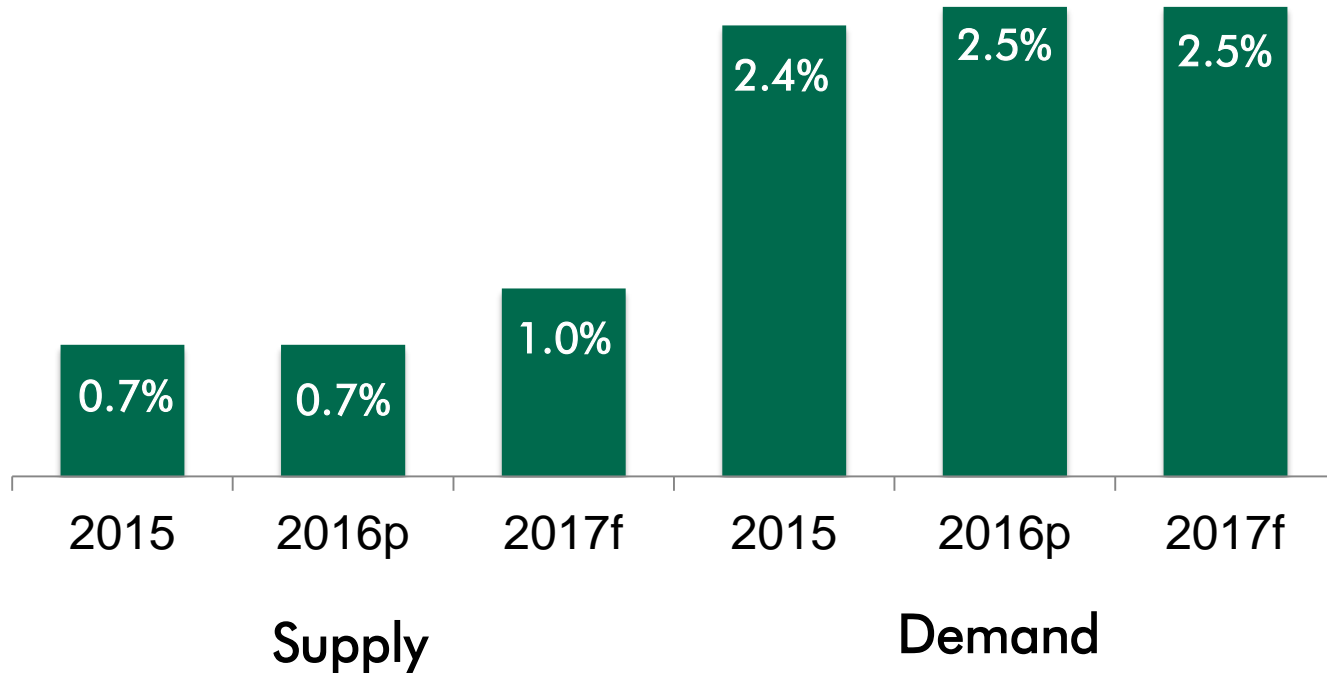
Source: CBRE Hotels

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ONTARIO SUPPLY & DEMAND OUTLOOK

Supply & Demand Growth



Source: CBRE Hotels

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ONTARIO TOP LINE OUTLOOK

	2014	2015	2016P	2017F
Occupancy	64%	65%	66%	67%
ADR	\$130	\$139	\$144	\$149
RevPAR	\$84	\$90	\$96	\$101

Source: CBRE Hotels

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ONTARIO ADR, REVPAR & BOTTOM LINE OUTLOOK

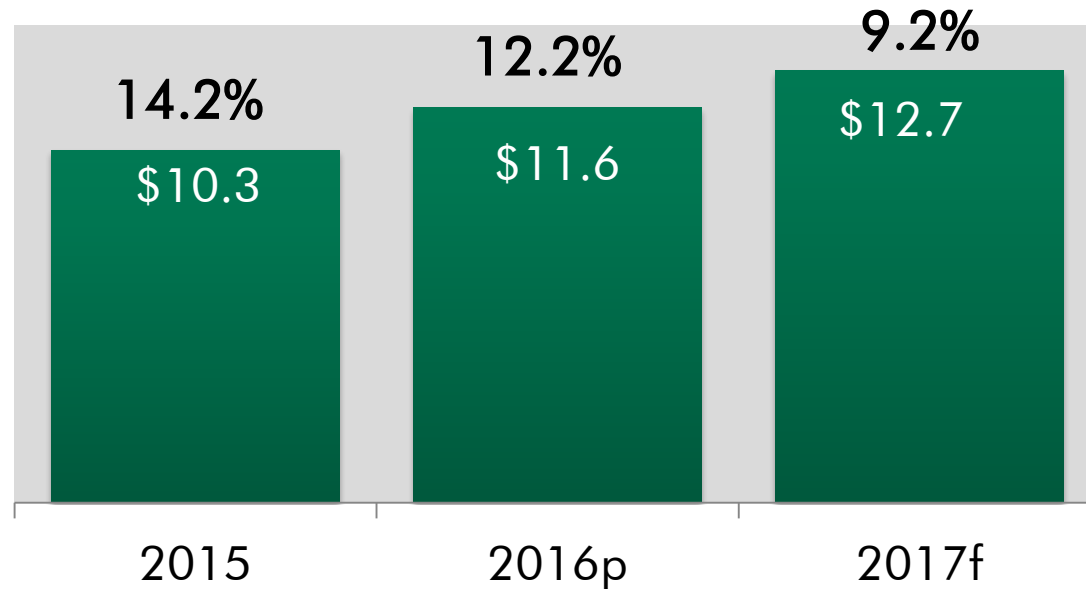
Ontario ADR Growth

2015 Actual	6.3%
2016 Projection	4.0%
2017 Forecast	3.5%

Ontario RevPAR Growth

2015 Actual	8.1%
2016 Projection	5.9%
2017 Forecast	5.0%

**Adjusted
Net
Operating
Income/
Available
Room
(\$000's)**



Source: CBRE Hotels

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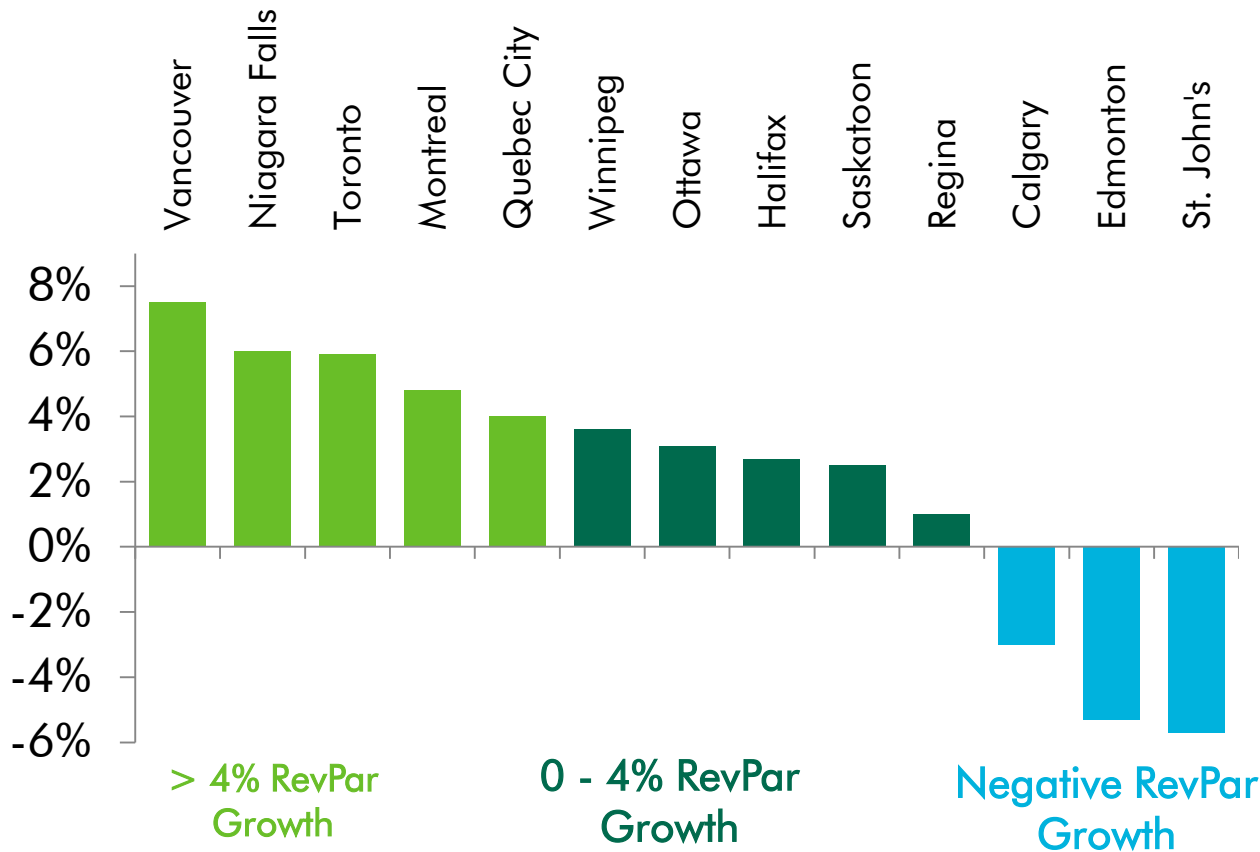
MAJOR MARKET OUTLOOKS

2016/17

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MAJOR MARKET OUTLOOKS REVPAR PROJECTION - 2017



2017 RevPAR Ranking	
Vancouver	\$146
Toronto	\$123
Montreal	\$119
Niagara Falls	\$114
Ottawa	\$114
Quebec City	\$113
Halifax	\$94
St. John's	\$85
Saskatoon	\$85
Winnipeg	\$84
Regina	\$80
Calgary	\$80
Edmonton	\$73

*"Major Markets" refer to Greater Metro Areas
 Source: CBRE Hotels

ECONOMIC AND TRAVEL OUTLOOKS FOR THE GTA

2016/17

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GTA ECONOMIC INDICATORS

	2015 Actual	2016 Forecast	2017 Forecast
Manufacturing Employment	(1.3%)	0.8%	1.7%
Construction Employment	8.7%	(2.3%)	0.4%
Service Sector Employment	2.9%	1.5%	1.8%
GDP Growth	3.3%	2.6%	2.6%

Source: Conference Board of Canada, Metropolitan Outlook, Spring 2016

Source: CBRE Hotels

GTA TRAVEL INDICATORS

Overnight Travel	2015	2016 Estimate	2017 Forecast
Business travel domestic	3.0%	3.5%	3.1%
Pleasure travel domestic	4.8%	2.5%	3.3%
Total domestic travel	3.0%	2.5%	3.2%
U.S. Travel	8.6%	6.6%	3.2%
Overseas travel	7.4%	5.8%	5.5%
Total Overnight Travel	4.5%	3.7%	3.5%
GTA accommodation demand growth	2.7%	3.6%	1.6%

Source: Canadian Tourism Research Institute, Conference Board of Canada, Spring 2016

Source: CBRE Hotels

MAJOR CONVENTIONS 2017

Major Conventions	Occupied Room Nights
Society for Worldwide Interbank Financial Telecommunication	23,390
Canadian Federation for the Humanities and Social Sciences	20,650
Aboriginal Sport & Wellness Council of Ontario	18,050
ASAE – The Centre for Association Leadership	17,800
American College of Chest Physicians	12,325
American Contract Bridge League	12,290

Source: Tourism Toronto

Source: CBRE Hotels

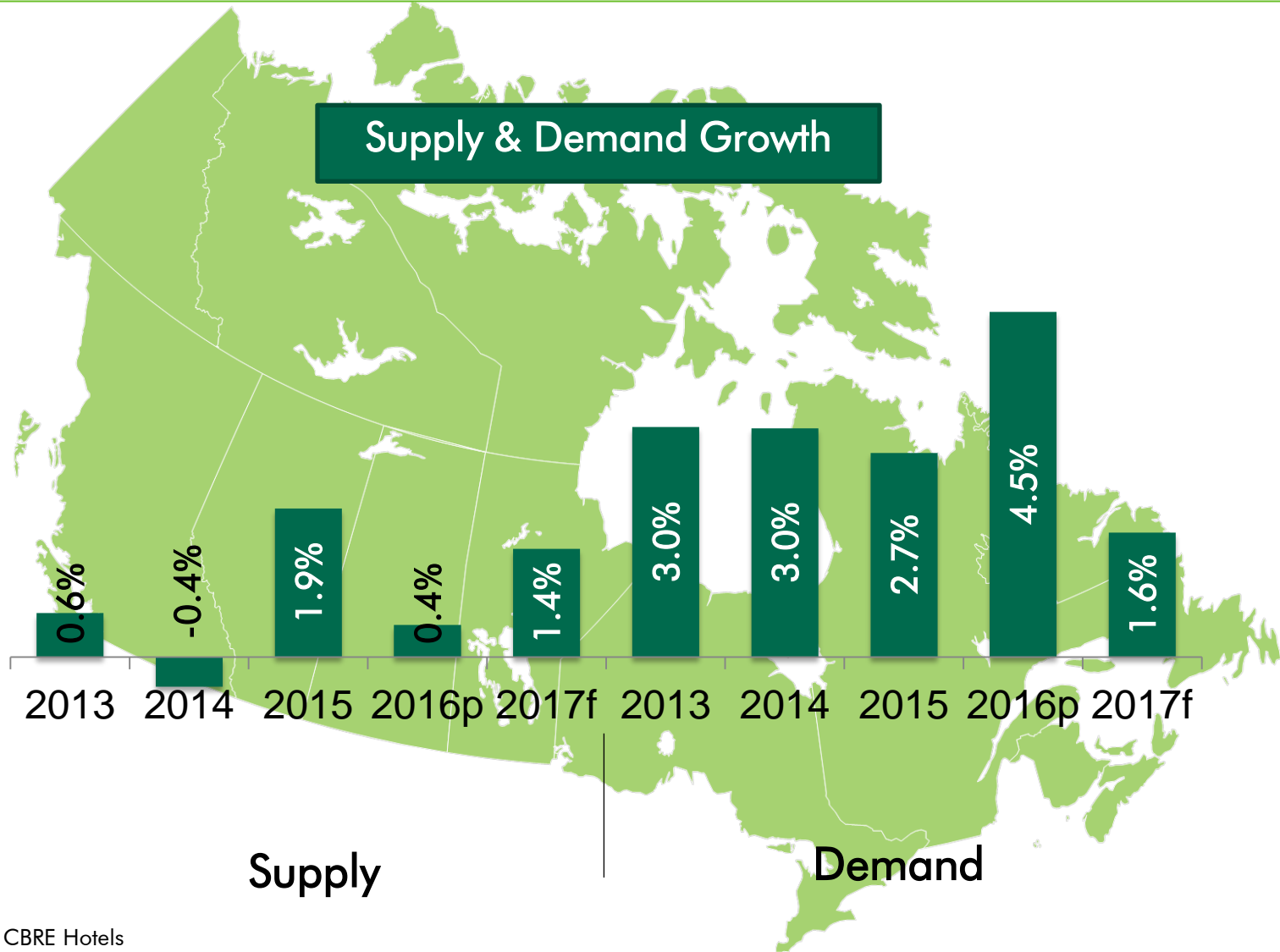
GTA OVERALL & SUB-MARKETS MARKET & FINANCIAL OUTLOOKS

2016/17

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GTA ACCOMMODATION SUPPLY & DEMAND



Source: CBRE Hotels

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MARKET OUTLOOKS – GTA OVERALL

	2014	2015	2016P	2017F
<u>Total GTA</u>				
Rooms	43,335	44,175	44,360	44,990
Occupancy	70%	71%	74%	74%
ADR	\$139	\$148	\$157	\$166
RevPAR	\$97	\$105	\$116	\$123
<u>% Change</u>				
Supply	(0.4%)	1.9%	0.4%	1.4%
Demand	3.0%	2.7%	4.5%	1.6%
ADR	3.7%	7.0%	6.0%	5.6%
RevPAR	7.2%	7.7%	10.2%	5.9%

Source: CBRE Hotels

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MARKET OUTLOOKS – DOWNTOWN TORONTO

	2014	2015	2016P	2017F
<u>Downtown</u>				
Rooms	16,815	17,240	17,085	17,545
Occupancy	75%	73%	76%	75%
ADR	\$177	\$194	\$211	\$228
RevPAR	\$132	\$141	\$160	\$171
<u>% Change</u>				
Supply	0.3%	2.5%	(0.9%)	2.7%
Demand	0.7%	(0.1%)	3.5%	1.5%
ADR	5.3%	9.6%	9.0%	8.0%
RevPAR	5.7%	6.8%	13.8%	6.8%

Source: CBRE Hotels

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MARKET OUTLOOKS – GTA AIRPORT

	2014	2015	2016P	2017F
<u>Airport</u>				
Rooms	8,120	8,120	8,120	8,120
Occupancy	73%	76%	76%	76%
ADR	\$112	\$117	\$122	\$127
RevPAR	\$82	\$88	\$93	\$97
<u>% Change</u>				
Supply	0.0%	0.0%	0.0%	0.0%
Demand	2.5%	3.6%	1.0%	0.0%
ADR	4.6%	4.2%	4.5%	4.0%
RevPAR	7.3%	8.0%	5.5%	4.0%

Source: CBRE Hotels

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MARKET OUTLOOKS – GTA WEST

	2014	2015	2016P	2017F
<u>West</u>				
Rooms	8,385	8,360	8,370	8,515
Occupancy	67%	69%	73%	73%
ADR	\$108	\$115	\$119	\$122
RevPAR	\$73	\$79	\$87	\$89
<u>% Change</u>				
Supply	(1.4%)	(0.3%)	0.1%	1.8%
Demand	5.7%	2.2%	6.0%	2.5%
ADR	1.8%	6.4%	3.0%	2.5%
RevPAR	9.1%	9.1%	9.1%	3.2%

Source: CBRE Hotels

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MARKET OUTLOOKS – GTA EAST/NORTH

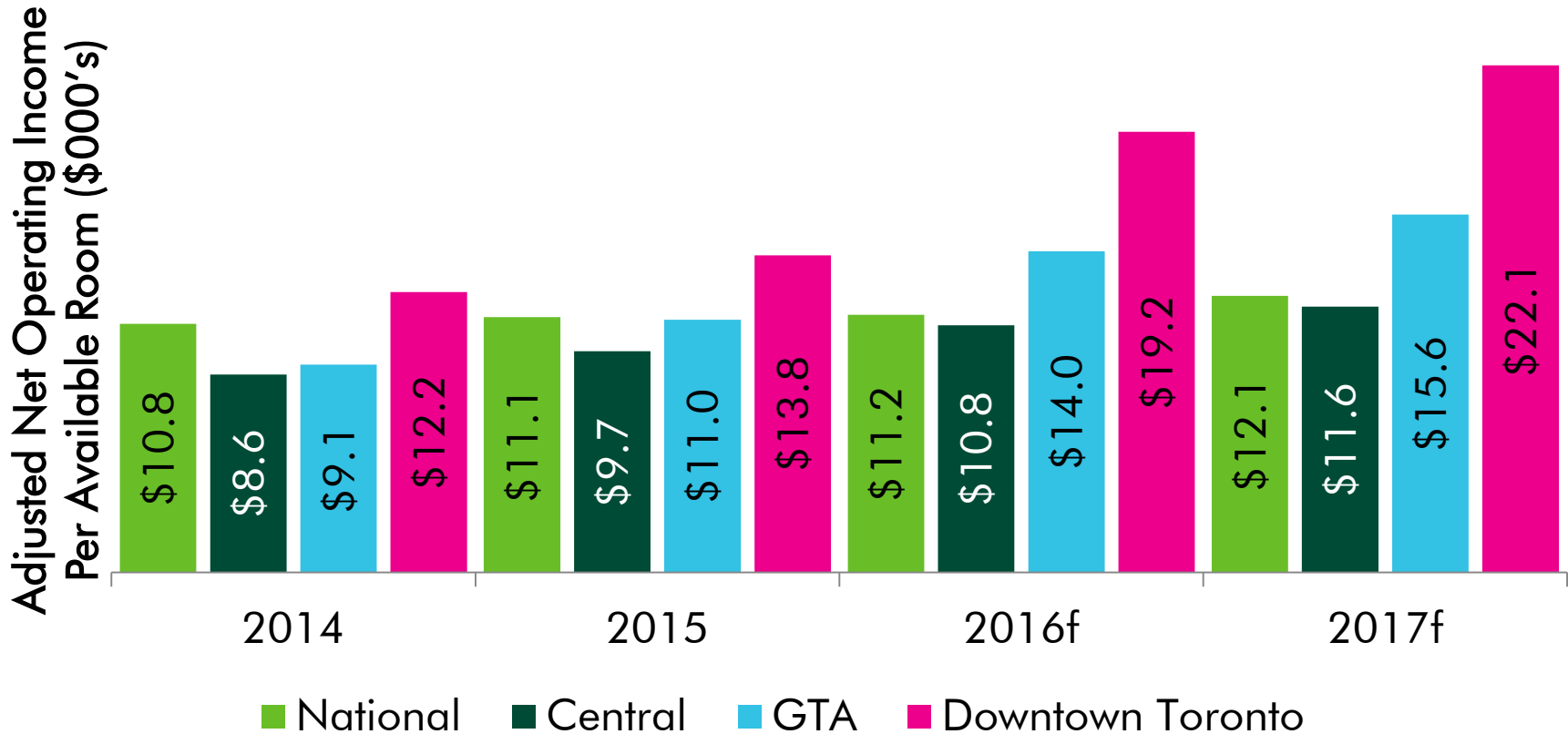
	2014	2015	2016P	2017F
<u>East/North</u>				
Rooms	9,835	10,275	10,515	10,640
Occupancy	65%	67%	70%	71%
ADR	\$116	\$120	\$122	\$125
RevPAR	\$75	\$80	\$86	\$89
<u>% Change</u>				
Supply	(2.7%)	4.5%	2.3%	1.2%
Demand	3.2%	7.7%	8.0%	2.5%
ADR	1.1%	3.2%	2.0%	2.5%
RevPAR	7.2%	6.4%	7.6%	3.8%

Source: CBRE Hotels

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FINANCIAL OUTLOOK – GTA



NOTE: Adjusted Net Operating Income is defined as income after property taxes, insurance, management fees, franchise fees, and capital reserves; but before rent, interest, income taxes, depreciation and amortization.

Source: CBRE Hotels

TRENDS

IN THE CANADIAN HOTEL INDUSTRY

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NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

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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 2016 forecasts for the 13 major markets.

MAJOR MARKET OUTLOOKS - WESTERN CANADA

		2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2015-16 Change
Vancouver	Occ	69%	72%	74%	78%	3 pt
	ADR	\$138	\$146	\$143	\$178	7%
	Rev-Par	\$26	\$26	\$27	\$38	10%
Calgary	Occ	67%	67%	67%	67%	0 pt
	ADR	\$147	\$147	\$147	\$149	0%
	Rev-Par	\$19	\$17	\$17	\$9	(10%)
Edmonton	Occ	70%	69%	69%	69%	0 pt
	ADR	\$157	\$134	\$134	\$130	(4%)
	Rev-Par	\$89	\$73	\$85	\$77	(10%)
Regina	Occ	70%	67%	67%	69%	0 pt
	ADR	\$143	\$134	\$131	\$141	8%
	Rev-Par	\$100	\$79	\$87	\$79	(6%)
Saskatoon	Occ	73%	77%	69%	69%	0 pt
	ADR	\$146	\$147	\$144	\$147	0%
	Rev-Par	\$106	\$108	\$75	\$83	(13%)
Winnipeg	Occ	63%	67%	63%	63%	0 pt
	ADR	\$152	\$134	\$159	\$156	---
	Rev-Par	\$77	\$77	\$79	\$82	3%

MAJOR MARKET OUTLOOKS - EASTERN CANADA

		2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2015-16 Change
Toronto	Occ	68%	70%	71%	73%	2 pt
	ADR	\$131	\$139	\$138	\$150	7%
	Rev-Par	\$97	\$97	\$108	\$112	0%
Niagara Falls	Occ	69%	61%	64%	66%	2 pt
	ADR	\$133	\$141	\$127	\$144	+6%
	Rev-Par	\$78	\$87	\$79	\$107	6%
Ottawa	Occ	68%	70%	70%	71%	0 pt
	ADR	\$140	\$144	\$130	\$159	7%
	Rev-Par	\$76	\$101	\$108	\$108	---
Montreal	Occ	67%	69%	71%	72%	1 pt
	ADR	\$140	\$144	\$134	\$137	0%
	Rev-Par	\$84	\$100	\$109	\$119	+6%
Quebec City	Occ	62%	62%	62%	62%	0 pt
	ADR	\$143	\$131	\$141	\$144	2%
	Rev-Par	\$86	\$82	\$101	\$107	0%
Halifax/Dartmouth	Occ	62%	67%	64%	66%	2 pt
	ADR	\$152	\$118	\$134	\$137	2%
	Rev-Par	\$78	\$80	\$86	\$91	0%
St. John's	Occ	76%	69%	69%	61%	(4 pt)
	ADR	\$149	\$154	\$154	\$151	(2%)
	Rev-Par	\$112	\$108	\$101	\$92	(8%)

All data presented in this document is as of 12/31/2015. Unless otherwise specified, all information provided is based on a review and a management search for the latest available data. Forecasts are based on the most recent data available. Forecasts are based on the most recent data available. Forecasts are based on the most recent data available. Forecasts are based on the most recent data available.

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