

GTHA Annual Hotel Industry Tourism Outlook

Welcome Members and Guests

Compliance Policy

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.

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The World's Leading Hotel Experts.



David Larone
Senior Managing Director,
ISHC, Valuation and
Advisory Services



Nicole Nguyen
Director, CBRE Hotels
Valuations & Advisory
Group

Overview on the impact of COVID-19 on market performance for the hotel industry on a national, provincial, and local market basis. The presentation will also provide top line insights on how the industry is tracking relative to CBRE's original 5-year recovery forecasts and consider the implications of recovery for the Greater Toronto Area market.

 **GREATER TORONTO
HOTEL ASSOCIATION**

SERVING THE HOTEL INDUSTRY SINCE 1925

Housekeeping Items

- Microphones and cameras are off upon joining this webinar
- Submit your questions using the chat box located in the lower section of your screen towards the middle
- Please direct your questions to the **host**

Thank you to our
Platinum Partner



 GREATER TORONTO
HOTEL ASSOCIATION

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THANK YOU

GTHA- Industry Outlook

October 22, 2020

Presented by Our Partner: **Smart Serve**[®] Ontario, Richard Anderson, Executive Director



THANK YOU FOR SUPPORTING YOUR COMMUNITY.

Education is an important part.

- COVID initiatives- feeding community
- Smart Serve Ontario's mandate has remained strong – **To ensure responsible alcohol service is aligned with public safety for the good of our communities**
- We continue our efforts to ensure that the message of responsible consumption is understood by the general public and college and university students



Safe and responsible starts with you.
SMARTSERVE.CA



"Thank you for continuing to provide safe and responsible alcohol sales & service."



KEY EVENTS & PROGRAM CHANGES

PROGRAM UPDATES

- **NEW Delivery Courier and Driver - Module**
 - Added new module into the training
 - Specific to delivery rules and regulations
 - Education on temporary COVID delivery LLA- to be extended as permanent
 - New Job Aid - Quick Facts made available for everyone: smartserve.ca/delivery



Safe and responsible starts with you.
SMARTSERVE.CA

LOOKING FORWARD

CANNABIS MODULE – EXPANSION

- Research concluded – risks and effects of consuming alcohol and cannabis
- Effects last longer and come on stronger/faster
- Speed of intoxication
- Differences of consumption (smoking, edibles, topicals and infused)



Safe and responsible starts with you.
SMARTSERVE.CA

LOOKING FORWARD

SEXUAL VIOLENCE – NEW MODULE

- How to identify a potential situation
- How to intervene
- Includes scenarios specific to the hospitality industry environment
- Sexual harassment and assault can happen to anyone, any race, any age
- Drug facilitated sexual assault



Safe and responsible starts with you.
SMARTSERVE.CA



Thank you!

Richard.Anderson@smartserve.ca



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COVID-19 ASSESSMENT OF THE IMPACTS ON THE CANADIAN ACCOMMODATION SECTOR

GREATER TORONTO HOTEL ASSOCIATION

OCTOBER 2020

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2019 FINANCIAL TRENDS
IN THE HOTEL INDUSTRY

August 2020
NATIONAL MARKET REPORT
TRENDS IN THE CANADIAN HOTEL INDUSTRY

VALUATION & ADVISORY SERVICES
TOURISM & LEISURE GROUP

CBRE

CBRE HOTELS CANADA
Q3 2020 COVID-19 UPDATE

CBRE

CANADA'S LODGING SECTOR

DATA SUMMARY

- Completed reviews of \$19.2 billion in 2016
- Completed 7,746 units of 138,388 rooms
- Over 1.6 million sq. ft. of 18.6 million sq. ft. of non-residential development
- Employed 200,000 people direct and indirect, 21.6 million people in the economy based on total 100,000 hotel jobs and 100,000 sq. ft. of 100,000 sq. ft.

GOVERNMENT REVENUES

HOTELS BY PROVINCE

HOUSING REVENUES

CBRE HOTELS



Source: CBRE Hotels' Trends in the Hotel Industry National Market with reproduction and use of information subject to CBRE Limited Disclaimer | Terms of Use as detailed at <https://www.cbre.ca/en/real-estate-services/business-lines/valuation-and-advisory-services/hotels-valuation-and-advisory-services/disclaimer>

A man in a white shirt is seen from behind, talking on a mobile phone while standing by a large window overlooking a city. A suitcase is on the floor in the foreground. The scene is overlaid with a green tint.

CURRENT MARKET PERFORMANCE NATIONAL

CURRENT COVID SITUATION

Ongoing
Travel
Restrictions

Rising
Case
Counts

Economic
Uncertainty

Canada/US
Border
Closure
Continues

Reinstatement
of gathering
rules/
Re-opening
roll backs

Support
Program
Extension

Source: CBRE Hotels

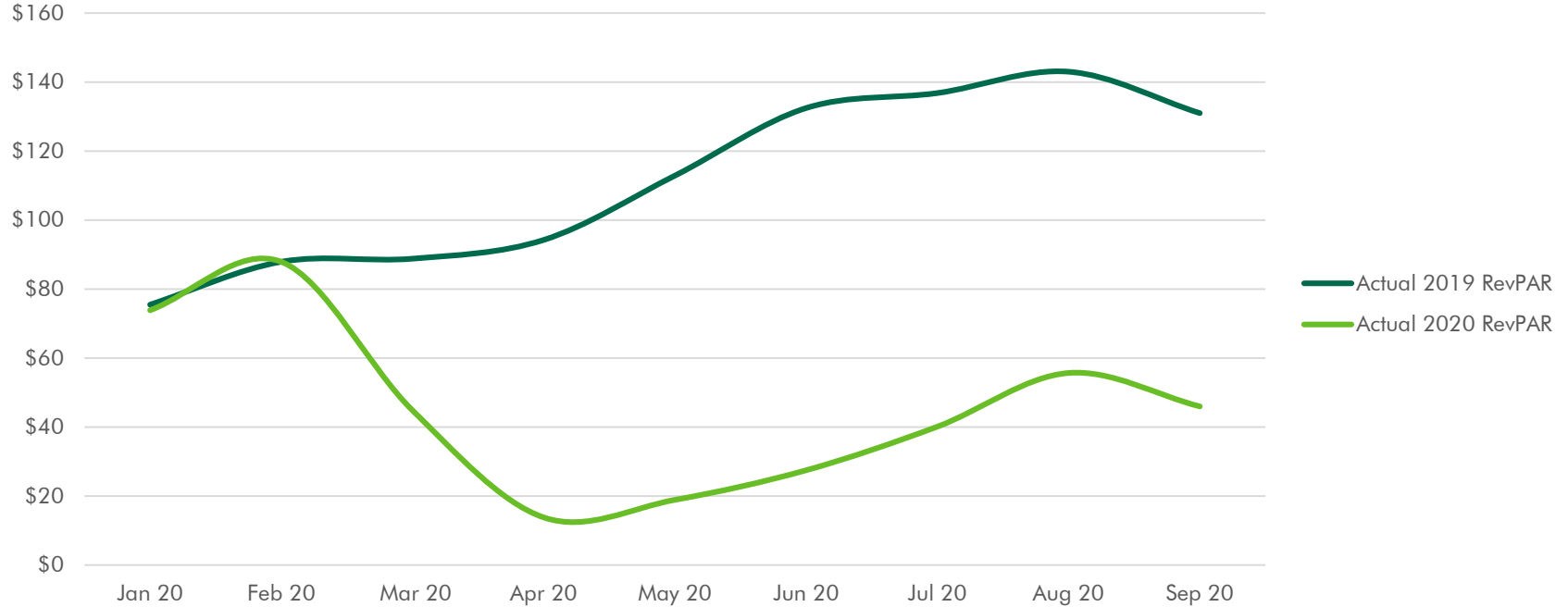
NATIONAL YTD PERFORMANCE

2019	Q1	Q2	Q3
Occupancy	57%	68%	76%
ADR	\$148	\$166	\$179
RevPAR	\$84	\$113	\$137
2020	Q1	Q2	Q3 (est.)
Occupancy	47%	19%	38%
ADR	\$147	\$106	\$128
RevPAR	\$69	\$20	\$48
YoY Change	Q1	Q2	Q3 (est.)
Occupancy	-10pts	-49pts	-39pts
ADR	-1%	-36%	-29%
RevPAR	-18%	-82%	-65%

Source: CBRE Hotels

COVID-19 IMPACT – MONTHLY PERFORMANCE

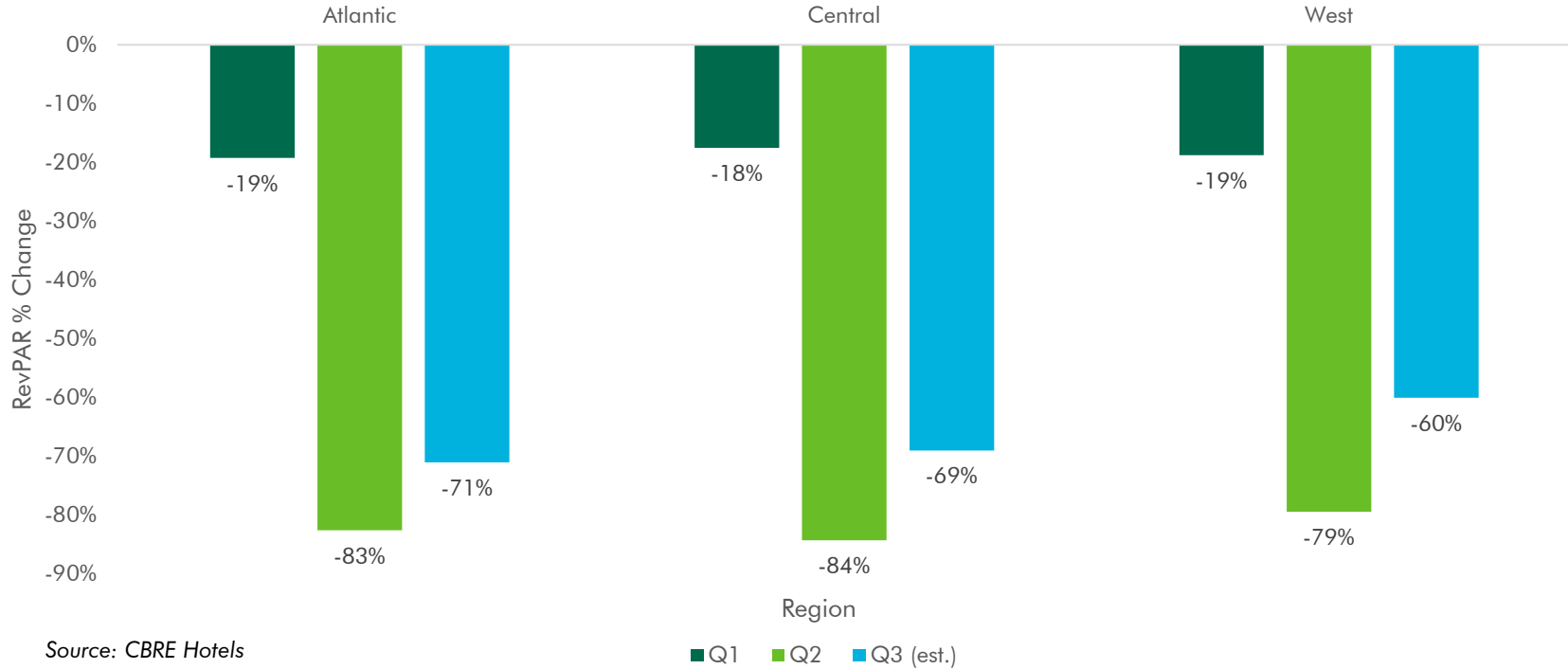
National RevPAR 2019/2020



Source: CBRE Hotels

REGIONAL REVPAR PERFORMANCE

RevPAR Decline by Region, Q1/Q2/Q3(est.) 2020



PROPERTY TYPE REVPAR PERFORMANCE

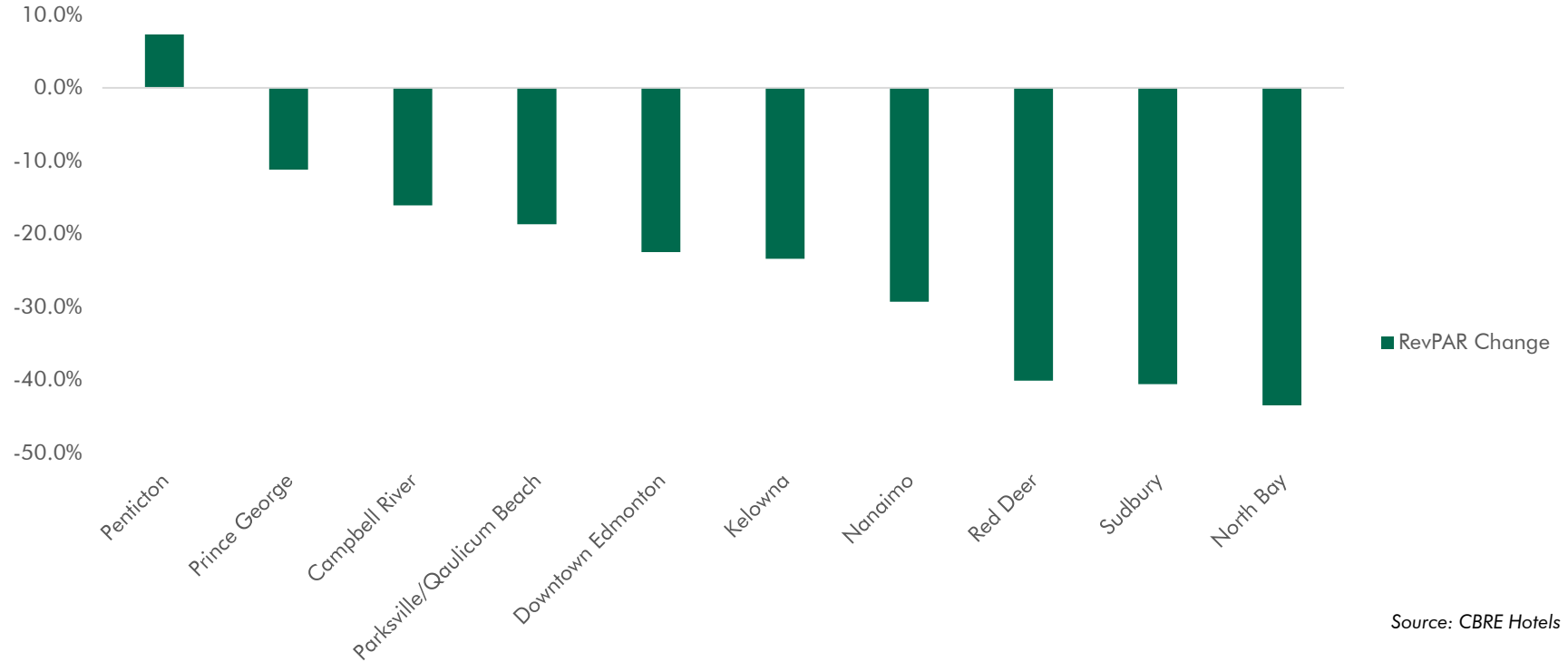
RevPAR Decline by Property Type, Q1/Q2/Q3(est.) 2020



Source: CBRE Hotels

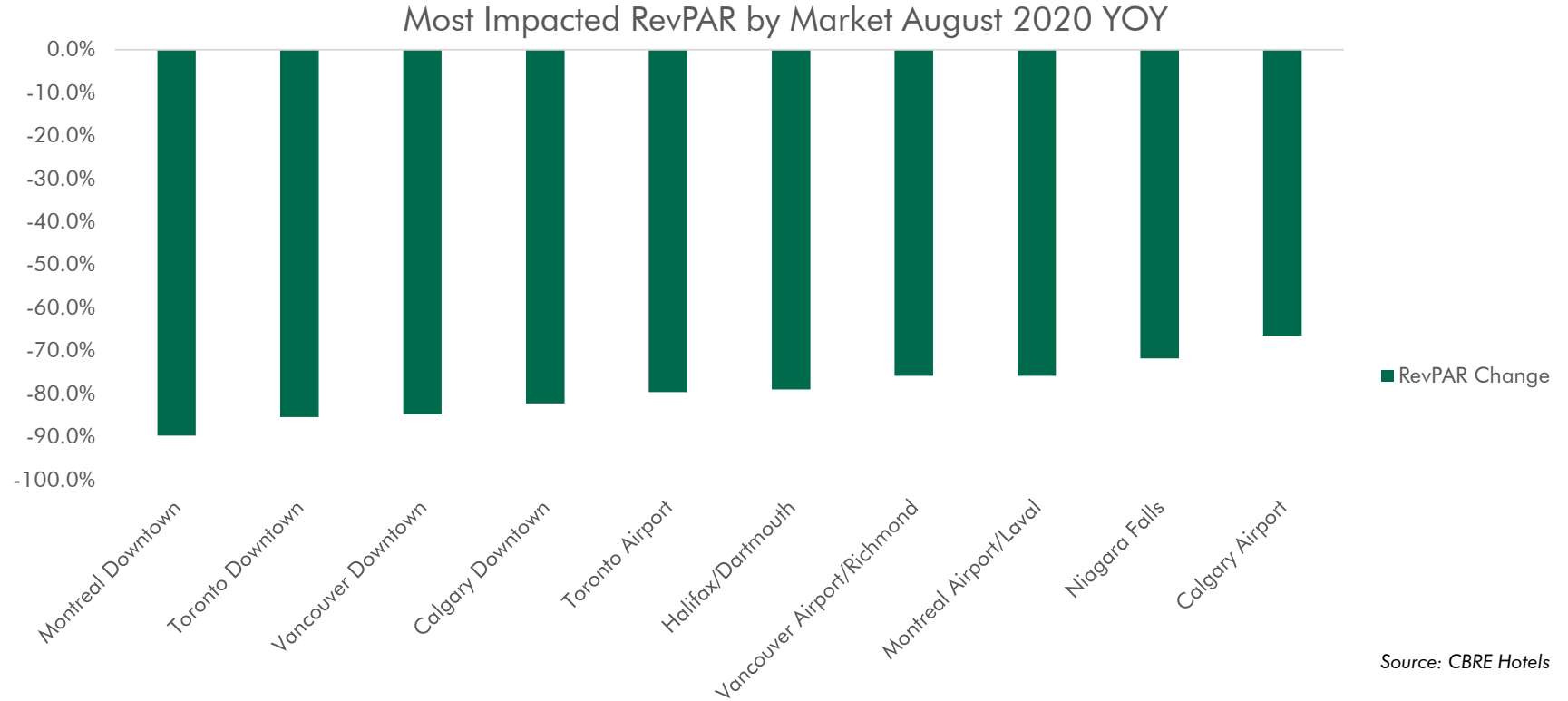
LEAST IMPACTED MARKETS BY REVPAR

Least Impacted - RevPAR by Market August 2020 YOY



Source: CBRE Hotels

MOST IMPACTED MARKETS BY REVPAR



Source: CBRE Hotels



CURRENT MARKET PERFORMANCE ONTARIO

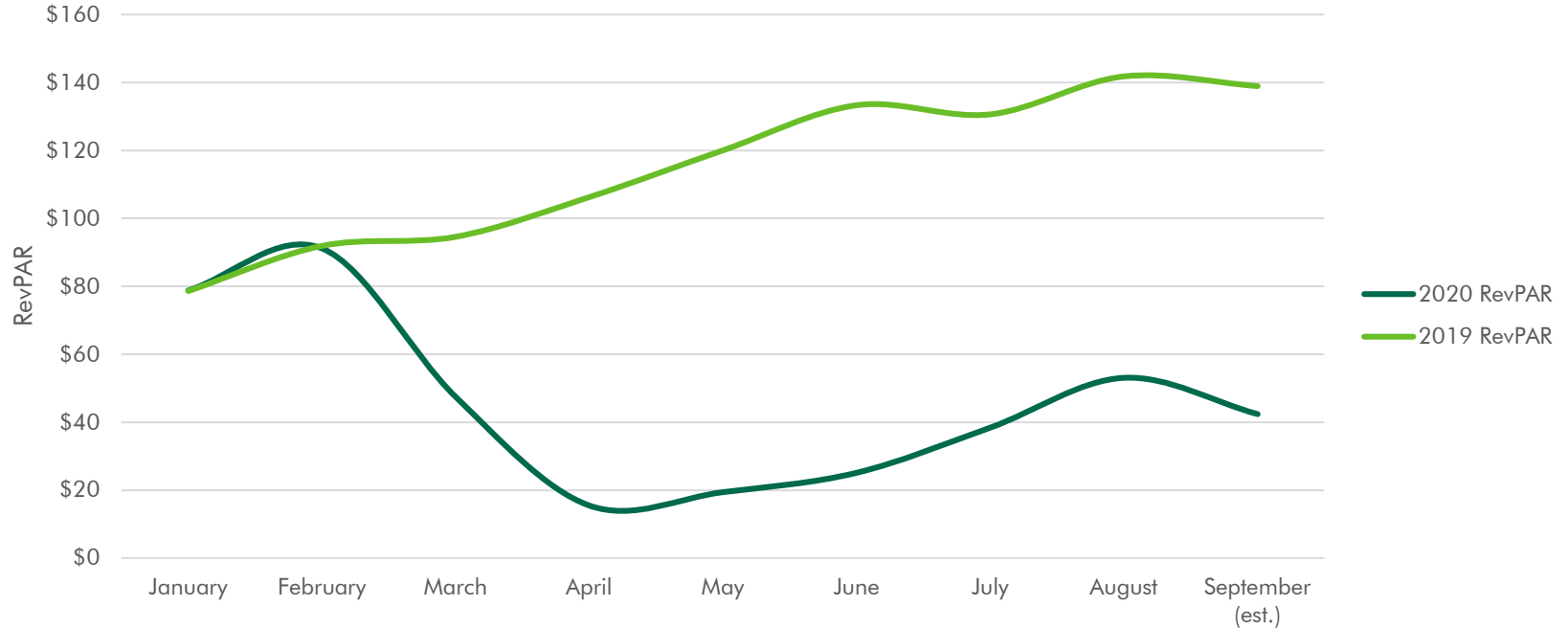
ONTARIO PERFORMANCE

2019	Q1	Q2	Q3
Occupancy	59%	72%	79%
ADR	\$150	\$167	\$173
RevPAR	\$88	\$120	\$137
2020	Q1	Q2	Q3 (est.)
Occupancy	49%	20%	37%
ADR	\$148	\$102	\$122
RevPAR	\$72	\$20	\$45
YoY Change	Q1	Q2	Q3 (est.)
Occupancy	-10pts	-52pts	-43pts
ADR	-2%	-39%	-30%
RevPAR	-18%	-83%	-67%

Source: CBRE Hotels

ONTARIO MONTHLY PERFORMANCE

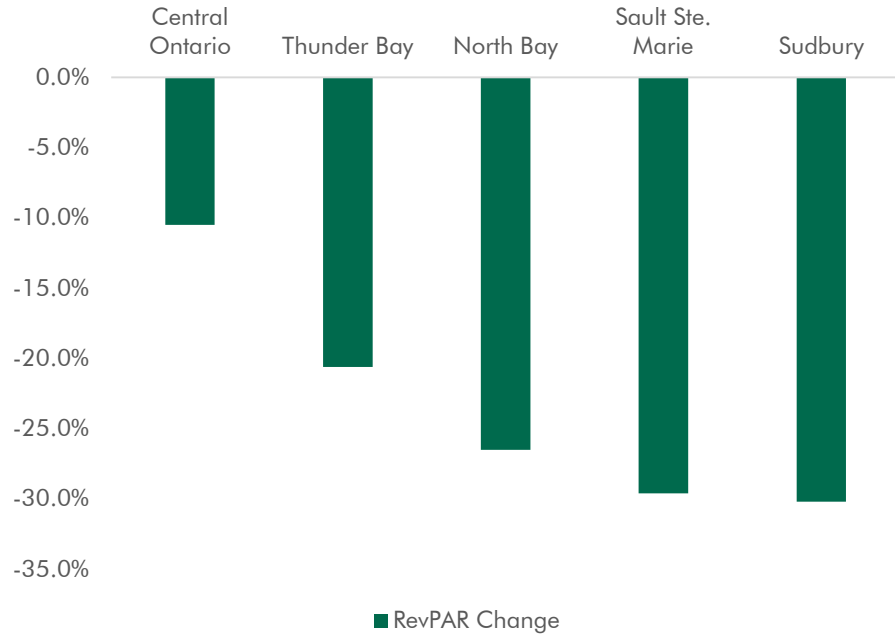
ONTARIO - COVID 19 ACCOMMODATION INDUSTRY REVPAR IMPACT



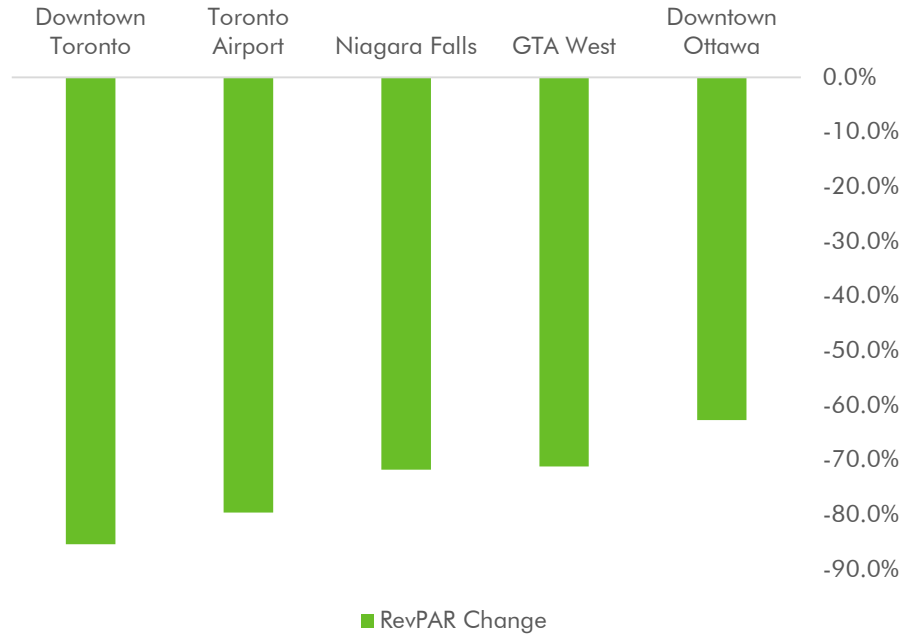
Source: CBRE Hotels

LEAST & MOST IMPACTED MARKETS BY REVPAR

Least Impacted Markets



Most Impacted Markets



Source: CBRE Hotels



CURRENT MARKET PERFORMANCE
GREATER TORONTO

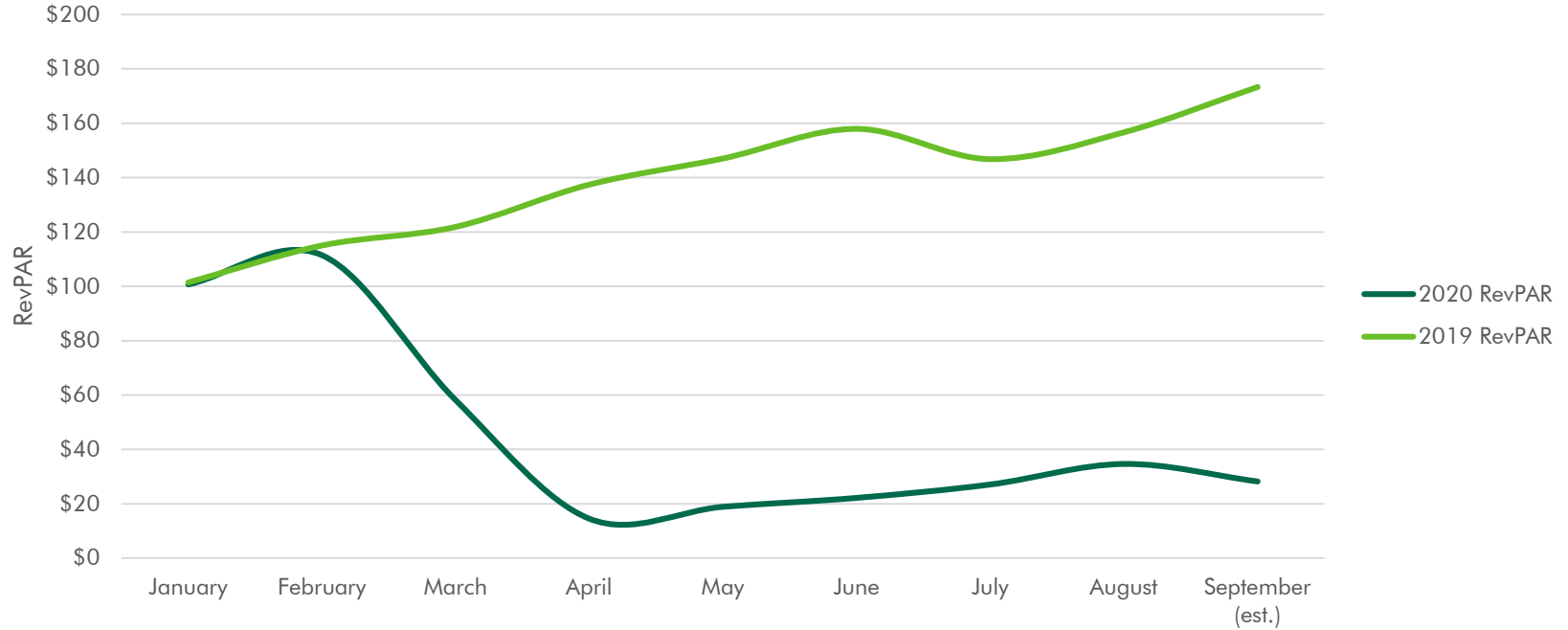
GREATER TORONTO PERFORMANCE

2019	Q1	Q2	Q3
Occupancy	66%	78%	82%
ADR	\$170	\$190	\$193
RevPAR	\$113	\$148	\$159
2020	Q1	Q2	Q3 (est.)
Occupancy	54%	18%	26%
ADR	\$168	\$106	\$114
RevPAR	\$90	\$19	\$30
YoY Change	Q1	Q2	Q3 (est.)
Occupancy	-13pts	-60pts	-56pts
ADR	-1%	-44%	-41%
RevPAR	-20%	-87%	-81%

Source: CBRE Hotels

GREATER TORONTO MONTHLY PERFORMANCE

TORONTO - COVID 19 ACCOMMODATION INDUSTRY REVPAR IMPACT



Source: CBRE Hotels

DOWNTOWN TORONTO PERFORMANCE

2019	Q1	Q2	Q3
Occupancy	66%	83%	85%
ADR	\$220	\$264	\$277
RevPAR	\$146	\$219	\$237
2020	Q1	Q2	Q3 (est.)
Occupancy	52%	6%	14%
ADR	\$224	\$132	\$179
RevPAR	\$116	\$8	\$25
YoY Change	Q1	Q2	Q3 (est.)
Occupancy	-15pts	-77pts	-71pts
ADR	+2%	-50%	-36%
RevPAR	-21%	-97%	-89%

Source: CBRE Hotels

TORONTO AIRPORT PERFORMANCE

2019	Q1	Q2	Q3
Occupancy	76%	80%	81%
ADR	\$159	\$159	\$153
RevPAR	\$121	\$127	\$124
2020	Q1	Q2	Q3 (est.)
Occupancy	64%	20%	23%
ADR	\$156	\$115	\$105
RevPAR	\$100	\$23	\$25
YoY Change	Q1	Q2	Q3 (est.)
Occupancy	-12pts	-60pts	-58pts
ADR	-2%	-28%	-31%
RevPAR	-18%	-82%	-80%

Source: CBRE Hotels

GTA WEST PERFORMANCE

2019	Q1	Q2	Q3
Occupancy	64%	75%	81%
ADR	\$132	\$136	\$136
RevPAR	\$85	\$103	\$110
2020	Q1	Q2	Q3 (est.)
Occupancy	53%	22%	33%
ADR	\$129	\$97	\$96
\$96	\$69	\$21	\$31
YoY Change	Q1	Q2	Q3 (est.)
Occupancy	-11pts	-53pts	-48pts
ADR	-3%	-29%	-30%
RevPAR	-19%	-79%	-71%

Source: CBRE Hotels

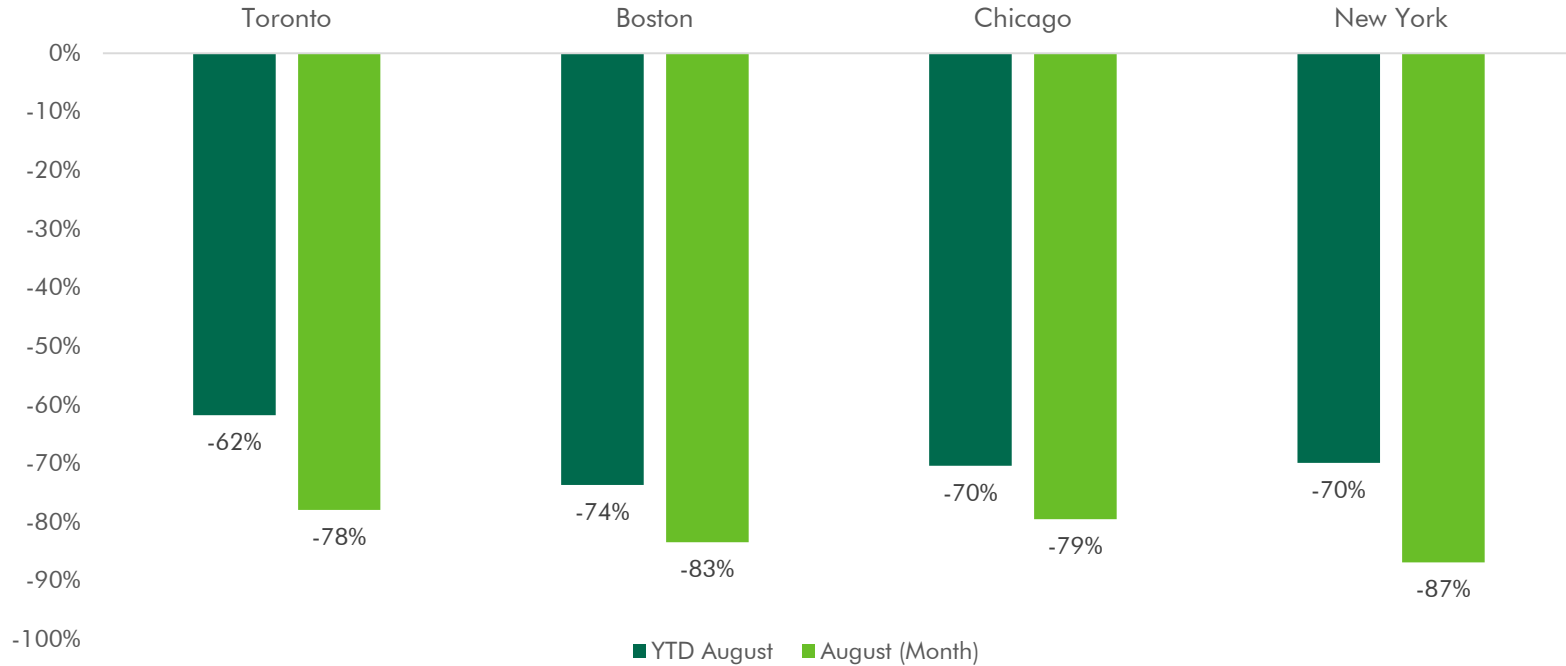
GTA EAST/NORTH PERFORMANCE

2019	Q1	Q2	Q3
Occupancy	62%	71%	80%
ADR	\$132	\$139	\$144
RevPAR	\$82	\$99	\$115
2020	Q1	Q2	Q3 (est.)
Occupancy	50%	29%	41%
ADR	\$130	\$101	\$101
RevPAR	\$66	\$29	\$41
YoY Change	Q1	Q2	Q3 (est.)
Occupancy	-11pts	-42pts	-39pts
ADR	-1%	-27%	-30%
RevPAR	-20%	-70%	-64%

Source: CBRE Hotels

NORTH AMERICAN MAJOR CITY COMPARISON

Major Markets 2020 YOY RevPAR Change, YTD and Month of August



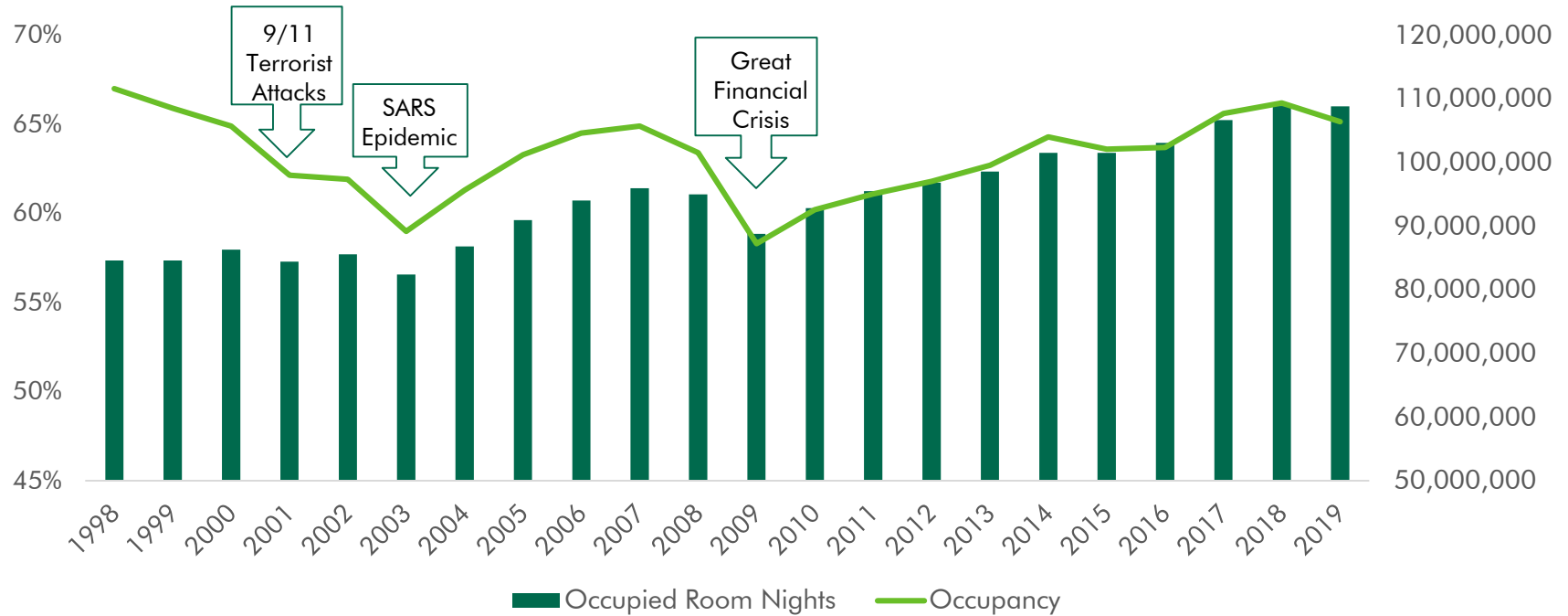
Source: CBRE Hotels

A photograph of a desk setup, including a laptop, a telephone, a water bottle, and a lamp, all under a teal color overlay. The text "COMING OUT OF COVID-19" is centered over the image, with a thin yellow horizontal line underneath it.

COMING OUT OF COVID-19

IMPACT OF HISTORIC EVENTS

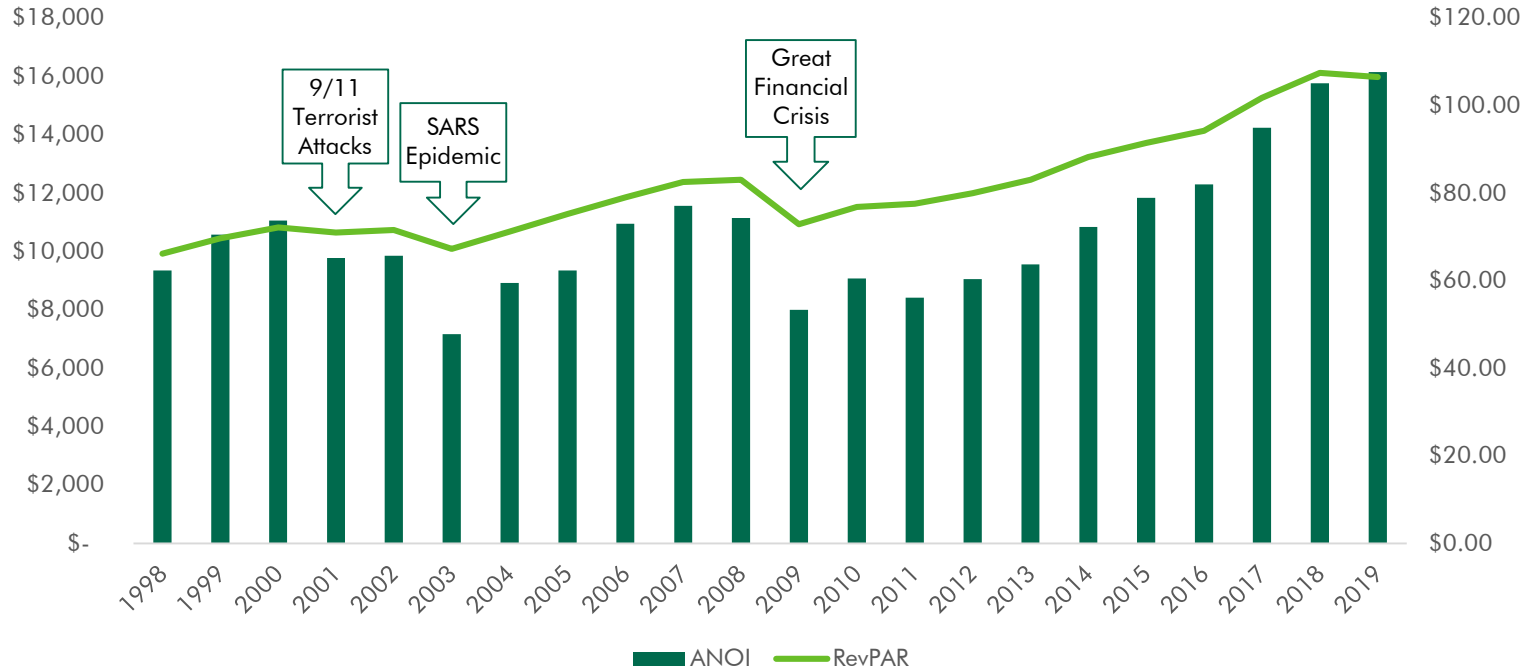
National Accommodation Market Occupancy & Demand 1998-2019



Source: CBRE Hotels

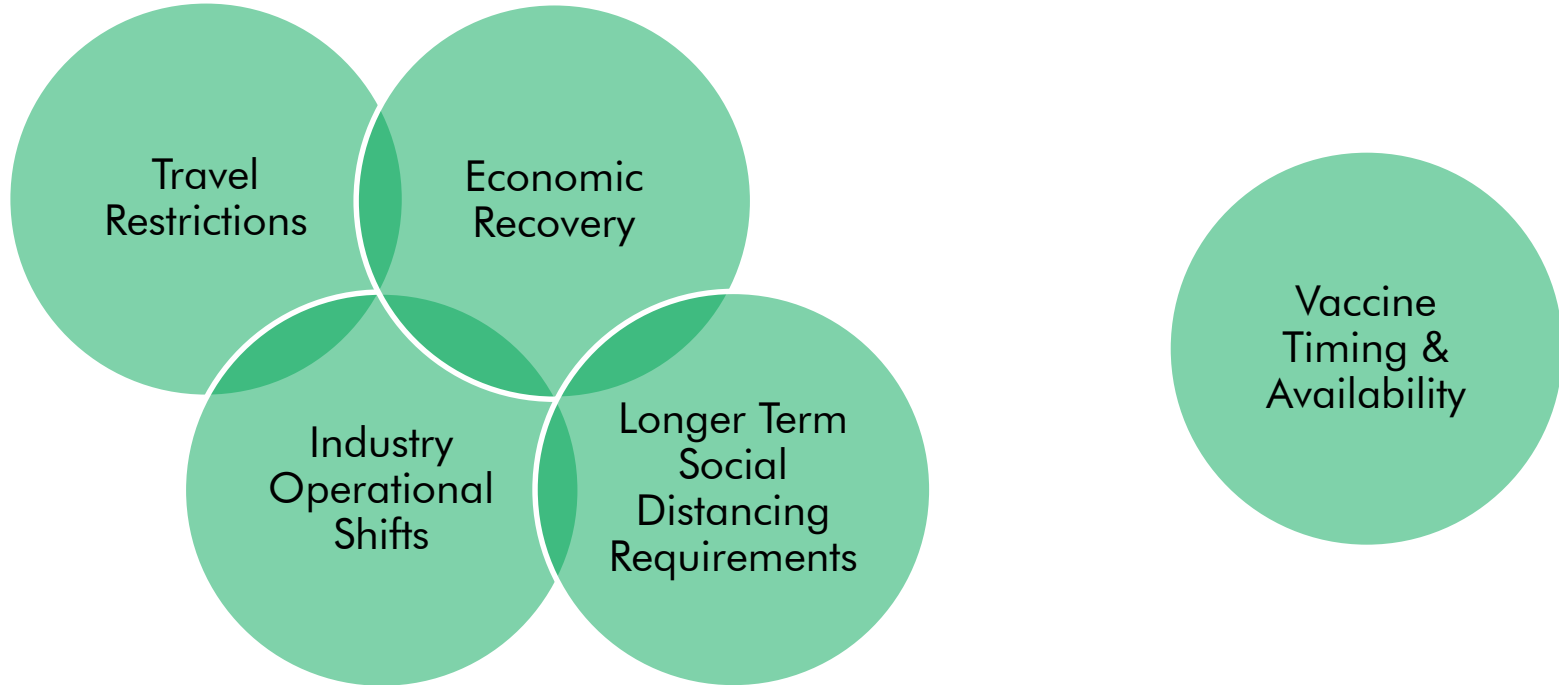
IMPACT OF HISTORIC EVENTS

National ANOI Per Room & RevPAR Performance



Source: CBRE Hotels

RECOVERY INFLUENCES



Source: CBRE Hotels

PRELIMINARY 2020-2025 CANADIAN OUTLOOK

CBRE Original Canadian Forecasts 1/1/2020

	Occ	ADR	RevPAR	Supply	Demand	Occ	ADR	RevPAR
2019	65.1%	\$163.52	\$106.52	1.8%	0.2%	-1.1%	0.8%	-0.8%
2020	65.3%	\$167.44	\$109.39	1.9%	2.5%	0.2%	2.4%	2.7%

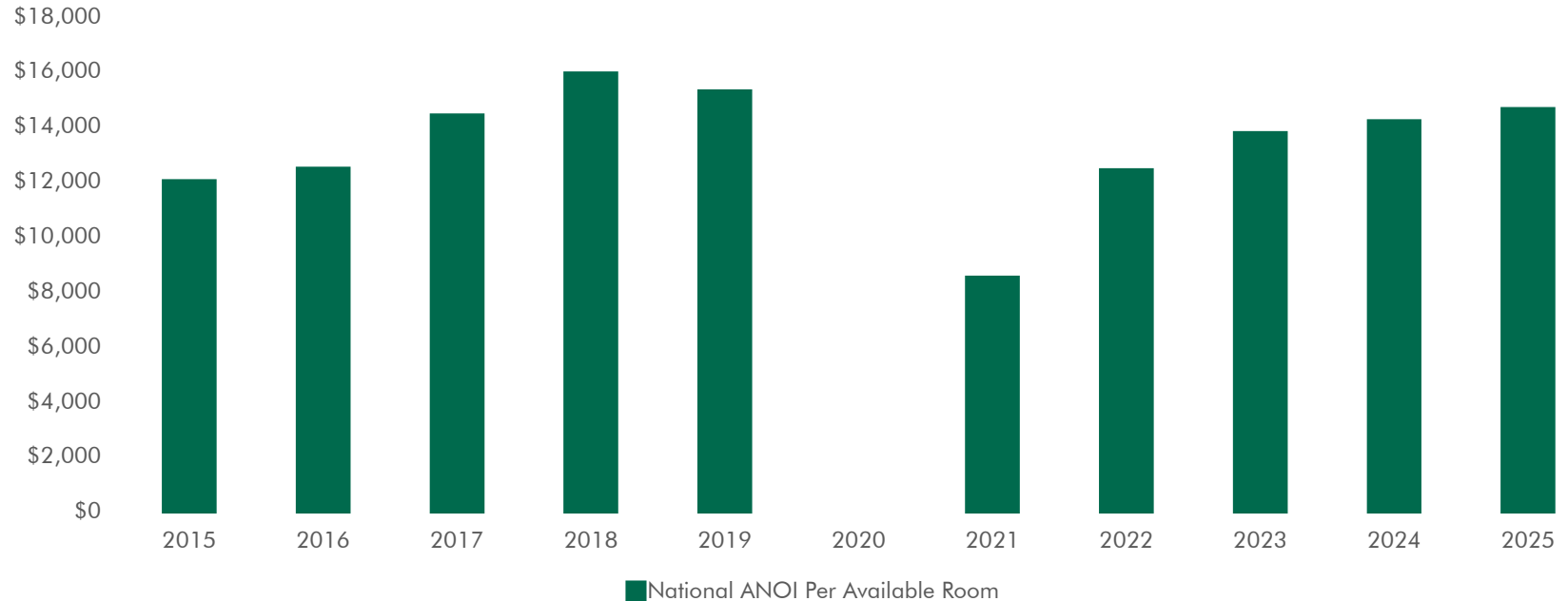
Canadian Forecasts

	Occ	ADR	RevPAR	Supply	Demand	Occ	ADR	RevPAR
2020	38.2%	\$138.99	\$53.15	1.9%	-40.0%	-27.1%	-15.0%	-50.1%
2021	57.0%	\$152.89	\$87.09	0.7%	50.0%	18.7%	10.0%	63.8%
2022	63.5%	\$159.01	\$100.94	0.5%	12.0%	6.5%	4.0%	15.9%
2023	65.1%	\$163.78	\$106.55	0.5%	3.0%	1.6%	3.0%	5.6%
2024	65.1%	\$167.87	\$109.22	1.5%	1.5%	0.0%	2.5%	2.5%
2025	65.1%	\$172.07	\$111.95	1.5%	1.5%	0.0%	2.5%	2.5%

Source: CBRE Hotels

NATIONAL FINANCIAL OUTLOOK

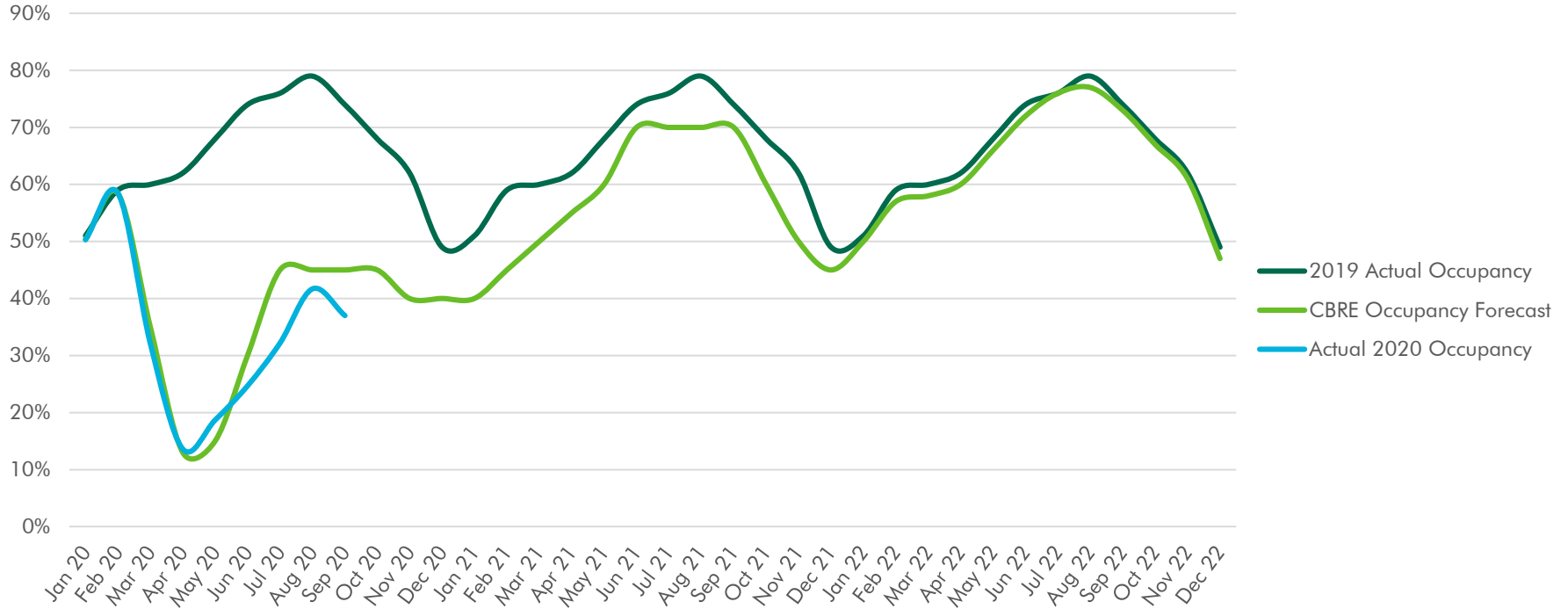
National ANOI Per Available Room



Source: CBRE Hotels

THE CANADIAN RECOVERY OUTLOOK

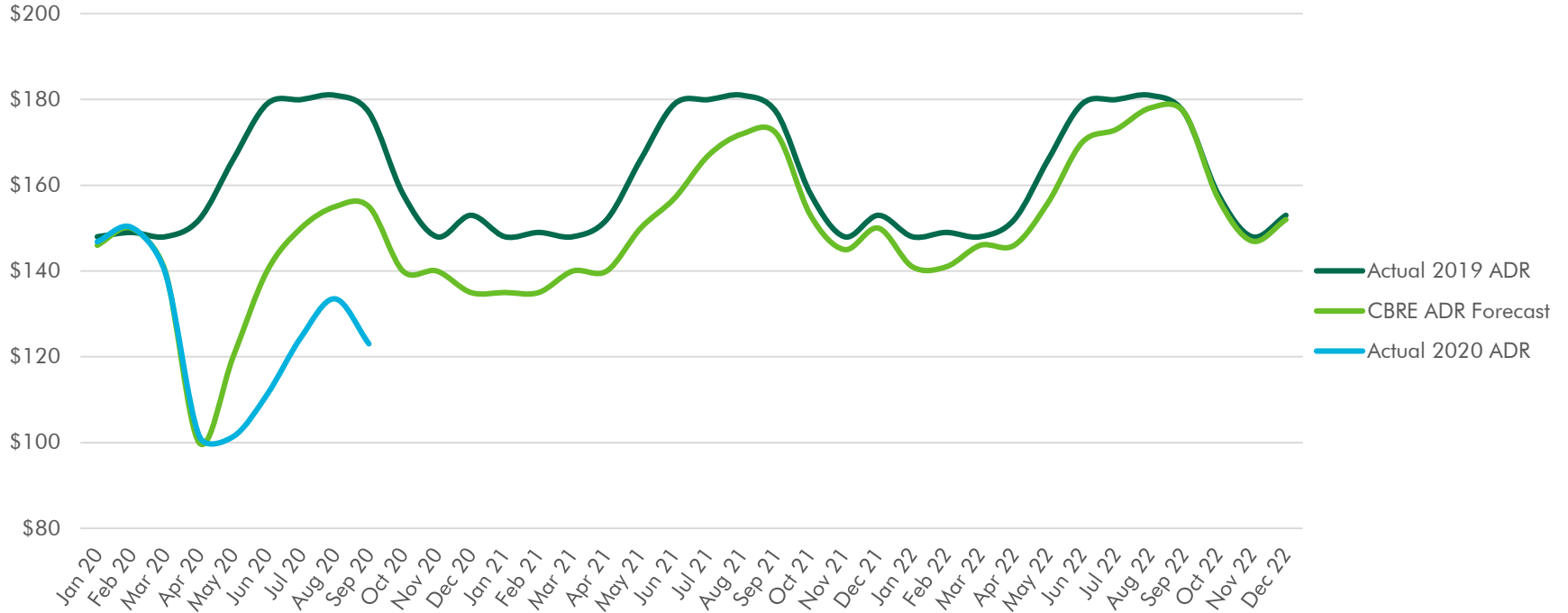
Canadian Occupancy Forecast and 2020 Actual Performance



Source: CBRE Hotels

THE CANADIAN RECOVERY OUTLOOK

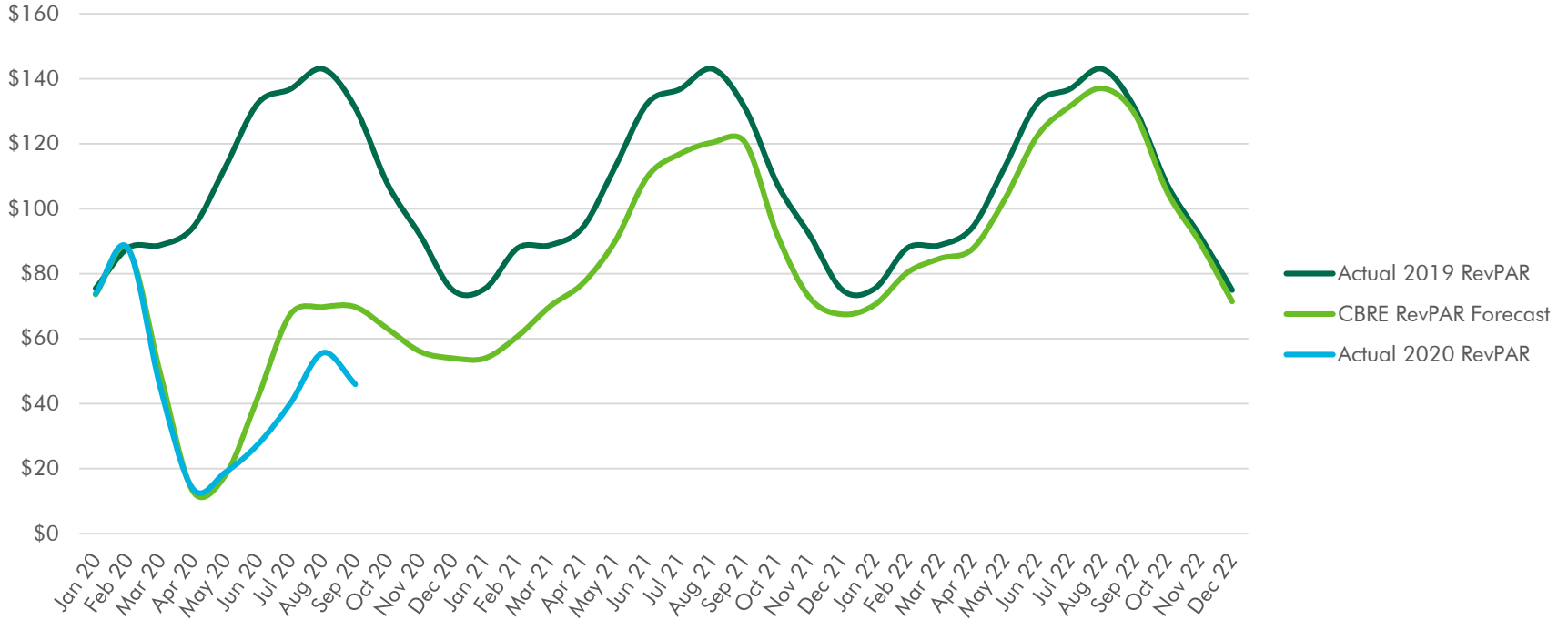
Canadian ADR Forecast and 2020 Actual Performance



Source: CBRE Hotels

THE CANADIAN RECOVERY OUTLOOK

Canadian RevPAR Forecast and 2020 Actual Performance



Source: CBRE Hotels

THE NEXT 18 MONTHS - CANADA

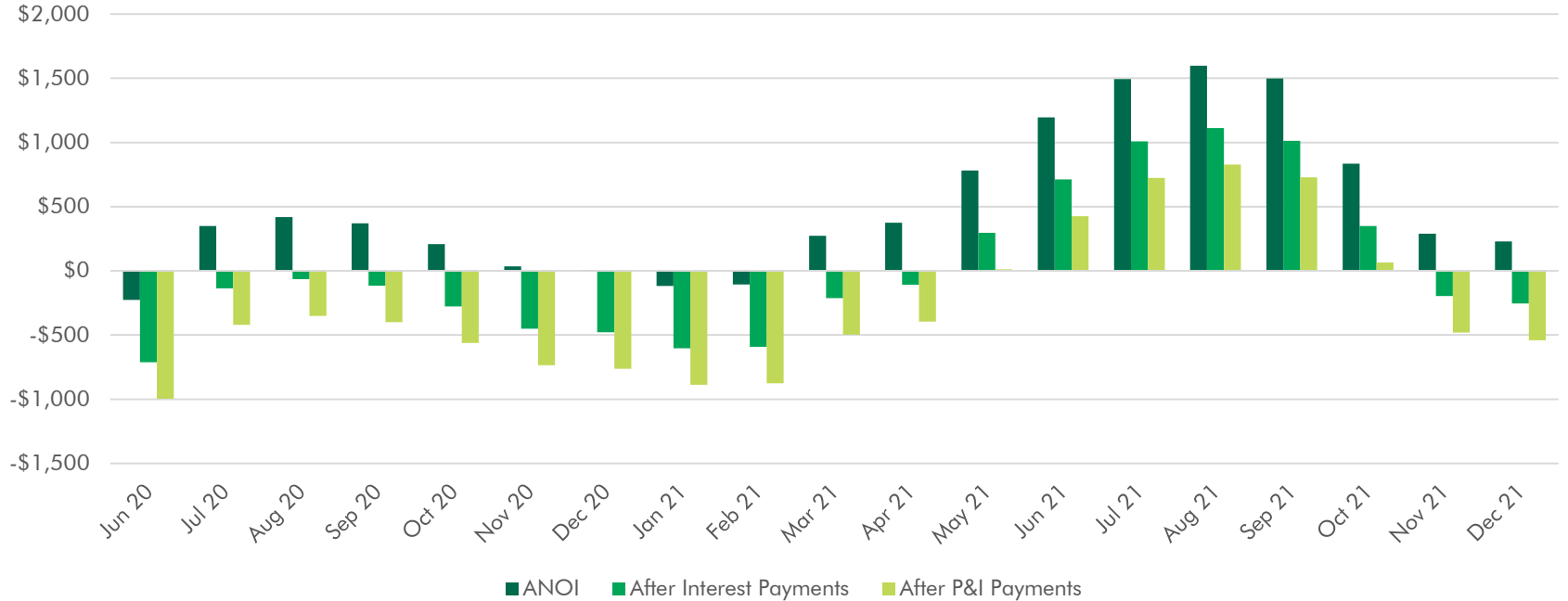
Monthly Operating Income Per Room



Source: CBRE Hotels

THE NEXT 18 MONTHS - CANADA

Monthly Cashflow Per Room



Source: CBRE Hotels



RECOVERY & IMPLICATIONS FOR GREATER TORONTO

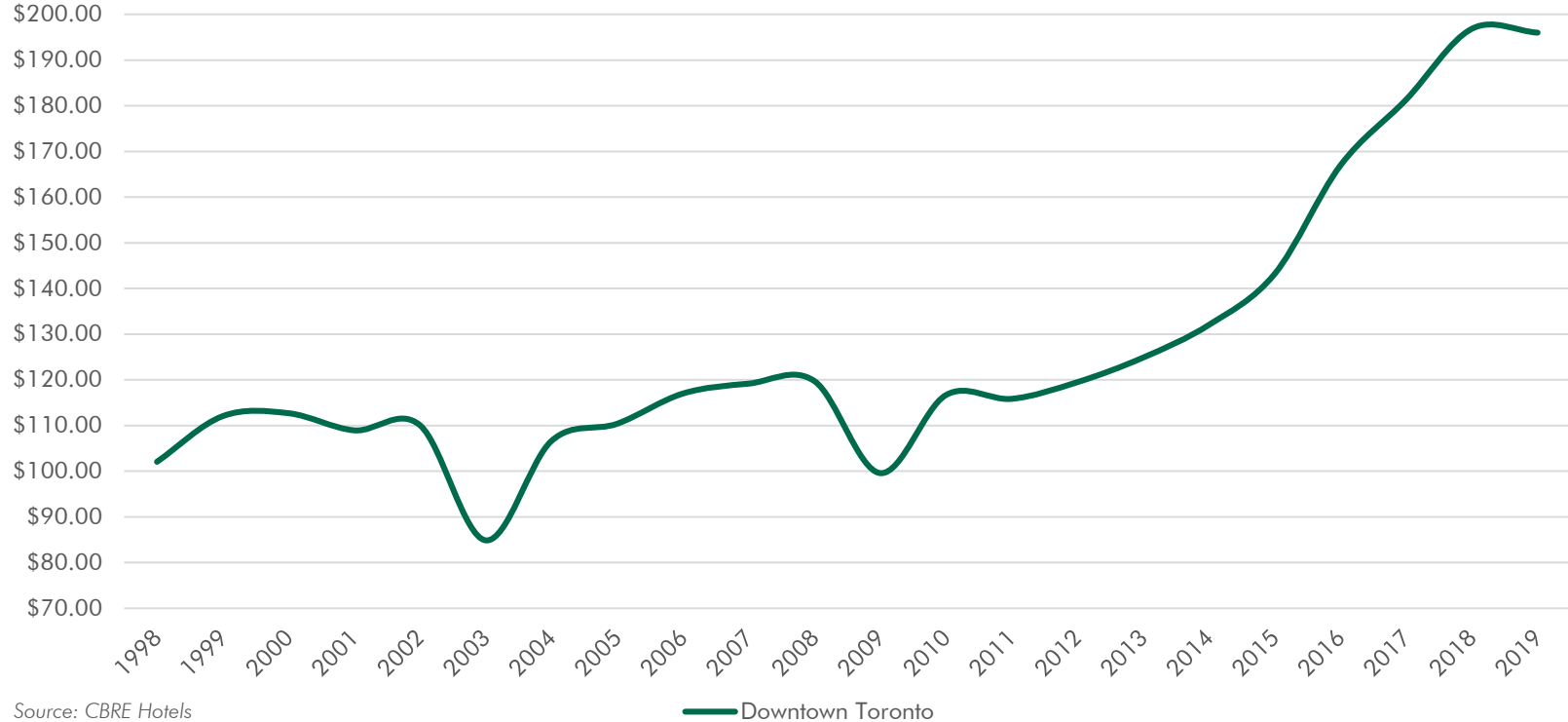
THE RECOVERY: PHASING



Source: CBRE Hotels

HISTORIC MARKET REVPAR PERFORMANCE

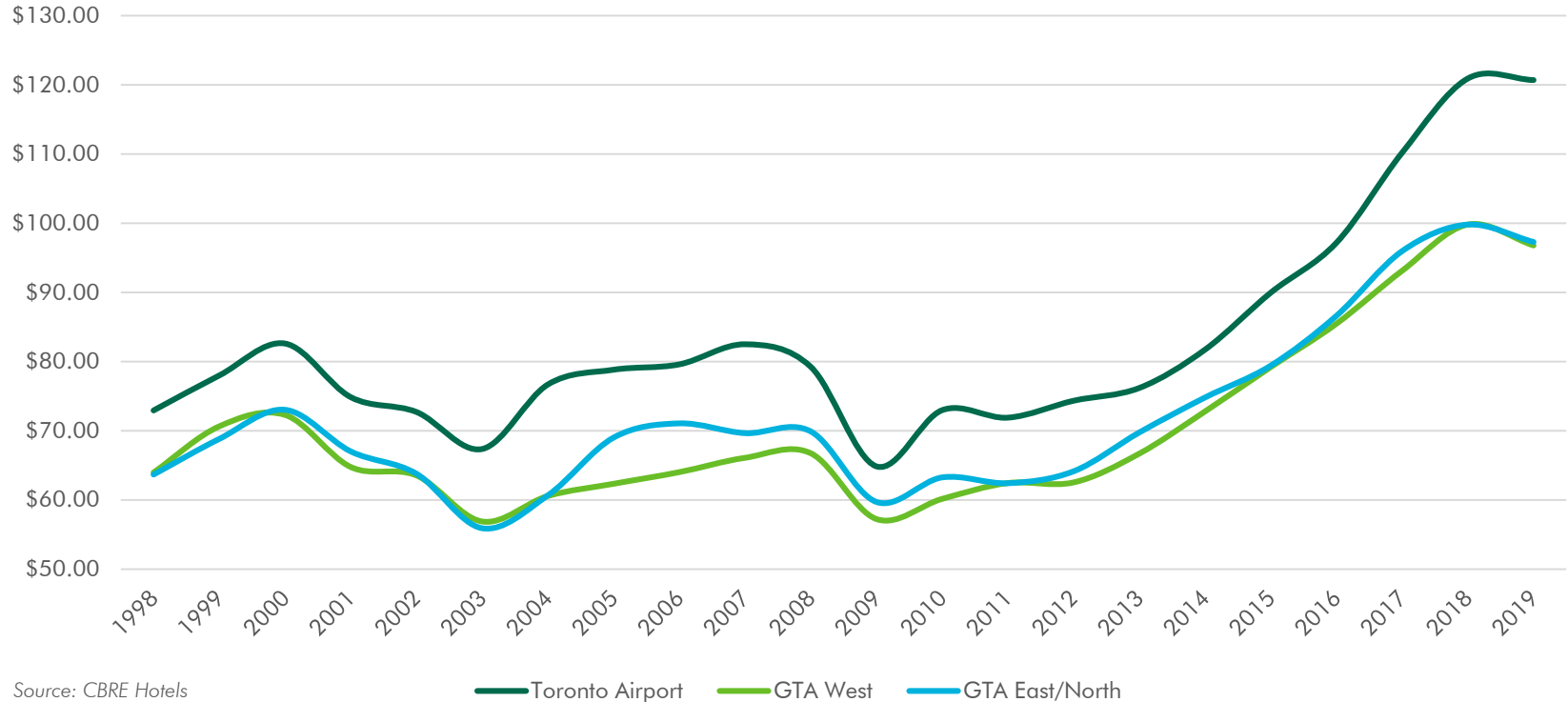
Downtown Toronto Historic RevPAR Recovery



Source: CBRE Hotels

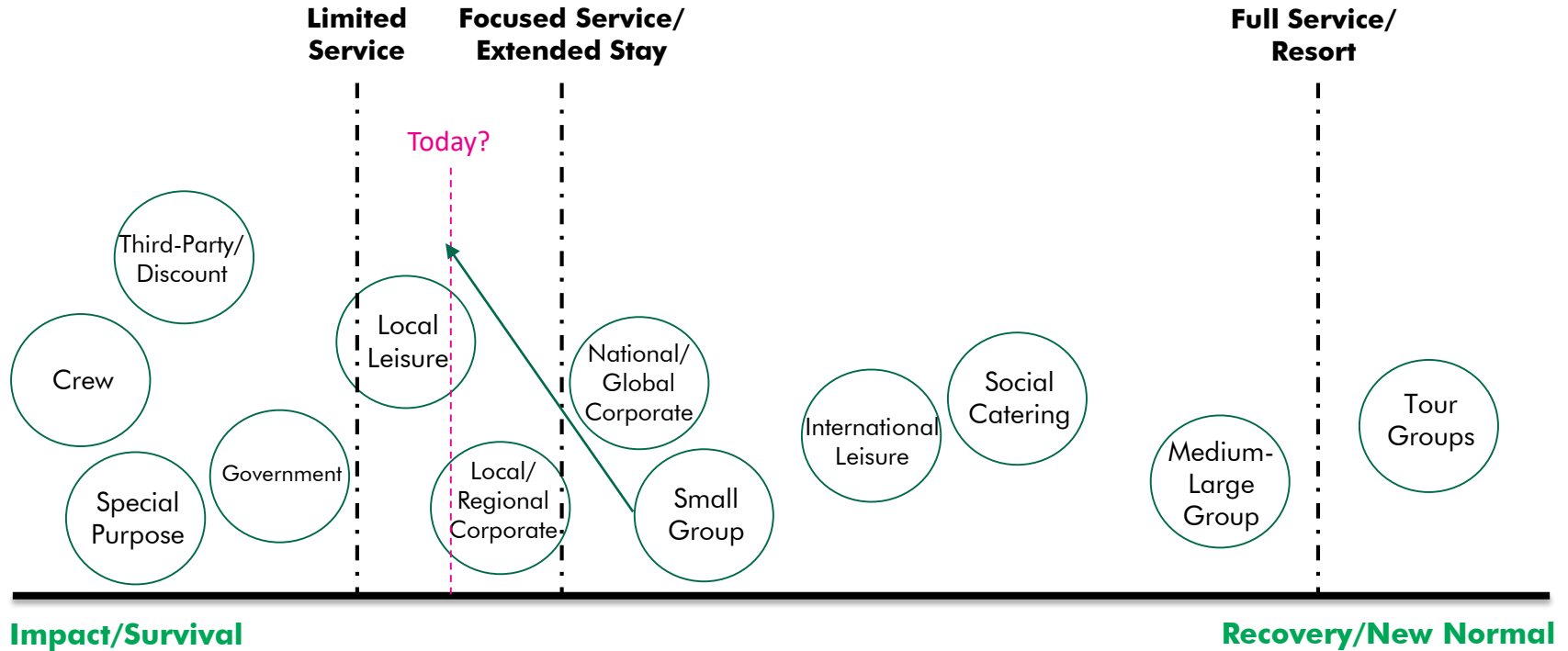
HISTORIC MARKET REVPAR PERFORMANCE

Toronto Historic RevPAR Recovery by Sub Market



Source: CBRE Hotels

THE RECOVERY: SEGMENTATION IMPLICATIONS





QUESTIONS?

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