

NATIONAL MARKET REPORT

May 2017

- Hotel cap rates remain at record lows in Q2 2017.
- National hotel cap rates average at 7.63% for Downtown Full Service, 8.50% for Suburban Limited Service, and 8.23% for Focused Service Hotels.
- Capitalization rates in Vancouver and Toronto are the lowest in the country, averaging between 5.50% and 7.50%.

Q1 2017 – Q2 2017 CAP RATE TRENDS

The Hotel sector experienced cap rate declines over the first quarter of 2017, as asset pricing reflected sustained investor interest in the sector. This continued after a 2016 period that saw high interest from foreign and domestic buyers. With strong supply/demand fundamentals in place in most major markets across the country, and an expectation for increased U.S., overseas and domestic tourism expected due to the low Canadian dollar; performance metrics are anticipated to continue to hold strong in 2017, fueling continued interest in the hotel sector both from domestic and foreign buyers.

Over the first quarter of 2017, national average hotel cap rates compressed in each of the three hotel property subtypes. National average hotel cap rates ranged from a low of 7.63% for downtown full service hotels to a high of 8.50% for suburban limited service hotels.

Capitalization Rates Hold Steady After Q1 2017 Decline

Property Type	Overall Capitalization Rates - National	
	Q4 2016	Q1/Q2 2017
Downtown Full Service	5.50% - 9.25%	5.50% - 9.00%
Suburban Limited Service	6.50% - 10.50%	6.50% - 9.75%
Focused Service	6.50% - 9.50%	6.50% - 9.50%

Source: CBRE Limited

Unlike other real estate sectors where cap rate compression was held to one or two key markets, cap rate compression in hotel assets took place in a larger variety of markets.

Halifax, Montreal, Ottawa, Winnipeg, Calgary, and Edmonton each saw yields decline. Interestingly, cap rates in Vancouver and Toronto remained stable in 2017, a sign that investors may be looking elsewhere for hotel yield.

With the exception of Halifax, where cap rates for full service hotels declined by 75 basis points in Q1 2017 to an average of 8.50%; cap rate compression in other markets was held to the limited and focused service asset classes. This is indicative of the increasing investor interest in focused and limited service assets, primarily in the submarkets of major urban centres and in secondary markets.

However, even with the compression noted - hotels - when compared to other types of real estate asset classes, continue to provide owners with superior cap rate return making this an interesting choice of investment for foreign investors with capital. Canada also continues to retain its reputation for relative stability as evidenced by cap rates generally remaining unchanged as of Q2, 2017.

In British Columbia and Ontario, transaction volume and interest hold strong and listings continue to generate multiple bids in these markets. In the Vancouver and Toronto markets, capitalization rates continue to be the lowest in the country, averaging between 5.50% and 7.50% on a stabilized basis. These are high barrier to entry markets and command rates comparable to many larger US cities – assuming of course that investment product will continue to be available to purchase.

Market	Downtown Full Service		Suburban LS		Focused Service	
	Q4 2016	Q1/Q2 2017	Q4 2016	Q1/Q2 2017	Q4 2016	Q1/Q2 2017
Vancouver	6.00%	6.00%	7.00%	7.00%	7.00%	7.00%
Calgary	8.25%	8.25%	9.75%	8.75%	8.75%	8.75%
Edmonton	8.25%	8.25%	10.25%	9.25%	9.50%	9.00%
Winnipeg	8.50%	8.50%	10.00%	9.00%	8.38%	8.38%
London-Windsor	8.63%	8.63%	8.63%	8.63%	8.38%	8.38%
Kitchener-Waterloo	8.63%	8.63%	8.63%	8.63%	8.00%	8.00%
Toronto	6.00%	6.00%	7.75%	7.75%	7.50%	7.50%
Ottawa	7.50%	7.50%	8.50%	8.25%	8.00%	8.00%
Montreal	8.00%	8.00%	9.00%	8.75%	8.38%	8.38%
Halifax	9.25%	8.50%	10.00%	9.25%	8.88%	8.88%

Source: CBRE Limited

REPORT OF ROOMS OPERATIONS BY LOCATION MONTH OF MAY 2017*

Location	Occupancy Percentage			Average Daily Rate			Revenue Per Available Room		
	2017	2016	**Point Change	2017	2016	Variance	2017	2016	Variance
ATLANTIC CANADA	64.0%	58.7%	5.3	\$132.70	\$126.14	5.2%	\$84.99	\$74.07	14.7%
NEWFOUNDLAND	66.7%	62.0%	4.7	\$145.87	\$143.54	1.6%	\$97.36	\$89.04	9.3%
St. John's	70.0%	63.7%	6.2	\$150.54	\$148.19	1.6%	\$105.31	\$94.45	11.5%
PRINCE EDWARD ISLAND	47.4%	42.9%	4.5	\$123.51	\$123.30	0.2%	\$58.54	\$52.86	10.7%
NOVA SCOTIA	70.0%	62.0%	8.0	\$140.52	\$130.50	7.7%	\$98.43	\$80.97	21.6%
Halifax/Dartmouth	77.9%	68.8%	9.1	\$151.68	\$137.10	10.6%	\$118.13	\$94.28	25.3%
Other Nova Scotia	55.8%	48.3%	7.5	\$112.22	\$111.23	0.9%	\$62.63	\$53.69	16.7%
NEW BRUNSWICK	60.6%	58.0%	2.6	\$117.83	\$113.71	3.6%	\$71.35	\$65.93	8.2%
Moncton	69.6%	64.2%	5.4	\$123.85	\$120.72	2.6%	\$86.21	\$77.48	11.3%
Other New Brunswick	56.0%	54.8%	1.2	\$114.07	\$109.49	4.2%	\$63.90	\$59.98	6.5%
CENTRAL CANADA	71.9%	69.4%	2.6	\$159.59	\$147.03	8.5%	\$114.77	\$101.98	12.5%
QUEBEC	73.0%	69.0%	4.0	\$166.78	\$155.12	7.5%	\$121.76	\$106.97	13.8%
Greater Quebec City	66.5%	66.0%	0.4	\$158.96	\$149.67	6.2%	\$105.66	\$98.85	6.9%
Other Quebec	58.5%	53.8%	4.7	\$136.60	\$132.70	2.9%	\$79.87	\$71.39	11.9%
Greater Montreal	82.4%	76.8%	5.6	\$179.66	\$163.74	9.7%	\$148.11	\$125.82	17.7%
Downtown Montreal	83.0%	79.3%	3.7	\$213.75	\$190.76	12.1%	\$177.37	\$151.23	17.3%
Montreal Airport/Laval	83.1%	75.1%	8.0	\$138.28	\$121.22	14.1%	\$114.90	\$90.99	26.3%
ONTARIO	71.5%	69.4%	2.1	\$157.38	\$144.55	8.9%	\$112.54	\$100.31	12.2%
Greater Toronto Area (GTA)	78.1%	77.1%	1.1	\$176.66	\$158.80	11.2%	\$138.04	\$122.39	12.8%
Downtown Toronto	79.2%	83.7%	-4.5	\$245.96	\$219.38	12.1%	\$194.68	\$183.57	6.1%
Toronto Airport	82.0%	76.7%	5.2	\$146.62	\$124.76	17.5%	\$120.19	\$95.74	25.5%
GTA West	78.0%	73.8%	4.2	\$126.47	\$113.22	11.7%	\$98.62	\$83.57	18.0%
GTA East/North	74.6%	70.5%	4.1	\$130.55	\$116.91	11.7%	\$97.40	\$82.47	18.1%
Eastern Ontario	61.3%	58.8%	2.5	\$119.86	\$115.37	3.9%	\$73.50	\$67.85	8.3%
Kingston	65.4%	61.1%	4.2	\$129.04	\$121.10	6.6%	\$84.34	\$74.01	14.0%
Other Eastern Ontario	59.1%	57.6%	1.6	\$114.39	\$112.07	2.1%	\$67.65	\$64.52	4.8%
Ottawa	81.8%	80.8%	1.0	\$184.57	\$170.89	8.0%	\$150.92	\$138.05	9.3%
Downtown Ottawa	83.9%	84.6%	-0.7	\$212.81	\$192.30	10.7%	\$178.55	\$162.64	9.8%
Ottawa West	83.3%	81.5%	1.8	\$156.83	\$146.80	6.8%	\$130.64	\$119.61	9.2%
Ottawa East	73.8%	69.0%	4.7	\$135.08	\$134.01	0.8%	\$99.62	\$92.49	7.7%
Southern Ontario	66.6%	63.4%	3.3	\$133.61	\$125.26	6.7%	\$89.01	\$79.37	12.1%
London	66.6%	60.6%	6.0	\$112.34	\$106.60	5.4%	\$74.82	\$64.63	15.8%
Windsor	67.4%	59.1%	8.3	\$119.78	\$107.57	11.3%	\$80.72	\$63.57	27.0%
Kitchener/Waterloo/Cambridge/Guelph	64.0%	61.4%	2.6	\$120.09	\$113.63	5.7%	\$76.85	\$69.78	10.1%
Hamilton/Brantford	72.2%	61.4%	10.8	\$125.42	\$114.34	9.7%	\$90.51	\$70.19	29.0%
Niagara Falls	71.1%	69.2%	1.9	\$155.50	\$146.34	6.3%	\$110.61	\$101.29	9.2%
Other Niagara Region	52.1%	51.2%	0.9	\$117.58	\$111.39	5.6%	\$61.26	\$57.05	7.4%
Other Southern Ontario	58.0%	60.9%	-2.9	\$117.64	\$111.12	5.9%	\$68.23	\$67.72	0.8%
Central Ontario	56.0%	52.6%	3.4	\$123.98	\$124.49	-0.4%	\$69.43	\$65.47	6.1%
North Eastern Ontario	56.9%	53.8%	3.1	\$118.03	\$111.36	6.0%	\$67.17	\$59.87	12.2%
North Bay	58.7%	50.7%	8.0	\$113.24	\$108.82	4.1%	\$66.51	\$55.21	20.5%
Sudbury	55.4%	52.4%	3.0	\$115.04	\$110.31	4.3%	\$63.70	\$57.75	10.3%
North Central Ontario									
Sault Ste. Marie	53.0%	48.0%	5.1	\$104.58	\$98.07	6.6%	\$55.47	\$47.06	17.9%
North Western Ontario	73.2%	70.7%	2.5	\$114.36	\$109.68	4.3%	\$83.66	\$77.49	8.0%
Thunder Bay	76.7%	71.7%	5.0	\$114.11	\$108.92	4.8%	\$87.53	\$78.09	12.1%

* Based on the operating results of 246,302 rooms (unweighted data)

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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 <http://www.cbre.ca/EN/services/valuationservices/hotels/Pages/hotels-vas-disclaimer.aspx>

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REPORT OF ROOMS OPERATIONS BY LOCATION MONTH OF MAY 2017*

Location	Occupancy Percentage			Average Daily Rate			Revenue Per Available Room		
	2017	2016	**Point Change	2017	2016	Variance	2017	2016	Variance
WESTERN CANADA	62.9%	62.9%	0.0	\$151.72	\$143.72	5.6%	\$95.41	\$90.41	5.5%
MANITOBA	71.1%	63.3%	7.8	\$123.37	\$123.80	-0.3%	\$87.70	\$78.31	12.0%
Winnipeg	75.1%	66.8%	8.3	\$127.20	\$128.86	-1.3%	\$95.53	\$86.05	11.0%
Brandon	59.8%	51.7%	8.2	\$103.09	\$105.06	-1.9%	\$61.68	\$54.27	13.6%
Other Manitoba	60.2%	56.7%	3.5	\$117.68	\$109.82	7.2%	\$70.80	\$62.25	13.7%
SASKATCHEWAN	54.7%	56.2%	-1.5	\$121.13	\$126.08	-3.9%	\$66.22	\$70.83	-6.5%
Regina	62.2%	64.6%	-2.4	\$123.02	\$129.79	-5.2%	\$76.54	\$83.80	-8.7%
Saskatoon	58.8%	64.0%	-5.2	\$128.47	\$134.68	-4.6%	\$75.53	\$86.24	-12.4%
Other Saskatchewan	45.8%	43.4%	2.5	\$111.43	\$111.19	0.2%	\$51.07	\$48.20	5.9%
ALBERTA (excl. Alta Resorts)	52.9%	57.4%	-4.5	\$130.30	\$126.54	3.0%	\$68.87	\$72.58	-5.1%
Calgary	58.9%	63.3%	-4.4	\$145.41	\$141.42	2.8%	\$85.65	\$89.51	-4.3%
Calgary Airport	56.1%	63.0%	-6.9	\$116.30	\$116.71	-0.4%	\$65.25	\$73.57	-11.3%
Downtown Calgary	65.2%	69.4%	-4.2	\$196.70	\$182.10	8.0%	\$128.23	\$126.43	1.4%
Calgary Northwest	62.3%	64.7%	-2.4	\$112.71	\$121.27	-7.1%	\$70.17	\$78.40	-10.5%
Calgary South	52.2%	53.5%	-1.3	\$122.33	\$124.38	-1.6%	\$63.86	\$66.60	-4.1%
Edmonton	55.3%	74.5%	-19.2	\$130.55	\$124.64	4.7%	\$72.22	\$92.86	-22.2%
Downtown Edmonton	59.0%	75.8%	-16.7	\$155.57	\$146.38	6.3%	\$91.81	\$110.89	-17.2%
Edmonton South	56.5%	72.1%	-15.6	\$117.31	\$115.73	1.4%	\$66.31	\$83.47	-20.6%
Edmonton West	51.1%	76.9%	-25.9	\$124.11	\$115.20	7.7%	\$63.37	\$88.63	-28.5%
Other Alberta	47.0%	42.8%	4.2	\$116.84	\$114.23	2.3%	\$54.96	\$48.91	12.4%
Lethbridge	55.0%	48.1%	6.9	\$111.42	\$107.88	3.3%	\$61.30	\$51.86	18.2%
Red Deer	47.8%	48.9%	-1.1	\$106.28	\$113.09	-6.0%	\$50.80	\$55.30	-8.2%
Other Alberta Communities	45.6%	40.9%	4.7	\$120.10	\$116.28	3.3%	\$54.74	\$47.54	15.1%
Alberta Resorts	68.4%	64.3%	4.1	\$224.58	\$210.26	6.8%	\$153.64	\$135.15	13.7%
BRITISH COLUMBIA	73.0%	69.6%	3.4	\$169.06	\$156.43	8.1%	\$123.41	\$108.87	13.4%
Greater Vancouver	83.6%	82.2%	1.4	\$196.20	\$176.89	10.9%	\$164.09	\$145.40	12.9%
Airport (Richmond)	85.3%	84.6%	0.7	\$158.60	\$139.51	13.7%	\$135.29	\$118.09	14.6%
Downtown Vancouver	83.9%	83.1%	0.8	\$236.21	\$214.42	10.2%	\$198.22	\$178.17	11.3%
Langley/Surrey	77.8%	73.8%	4.0	\$128.97	\$114.91	12.2%	\$100.30	\$84.75	18.3%
Other Vancouver	83.9%	81.0%	2.9	\$156.20	\$140.69	11.0%	\$131.06	\$113.96	15.0%
Vancouver Island	71.4%	67.9%	3.5	\$158.92	\$147.93	7.4%	\$113.45	\$100.47	12.9%
Campbell River	71.5%	62.9%	8.6	\$110.42	\$100.35	10.0%	\$78.99	\$63.11	25.2%
Greater Victoria	74.7%	71.5%	3.1	\$166.90	\$152.04	9.8%	\$124.62	\$108.75	14.6%
Nanaimo	70.4%	70.4%	0.1	\$130.29	\$119.96	8.6%	\$91.79	\$84.43	8.7%
Parksville/Qualicum Beach	58.3%	54.7%	3.6	\$148.82	\$140.52	5.9%	\$86.79	\$76.93	12.8%
Other Vancouver Island	66.9%	61.5%	5.4	\$165.27	\$168.25	-1.8%	\$110.49	\$103.39	6.9%
Whistler Resort Area	51.5%	48.4%	3.1	\$201.25	\$175.17	14.9%	\$103.57	\$84.81	22.1%
Other British Columbia	63.9%	57.6%	6.2	\$125.84	\$121.25	3.8%	\$80.35	\$69.89	15.0%
Abbotsford/Chilliwack	67.0%	59.9%	7.1	\$111.53	\$103.96	7.3%	\$74.78	\$62.28	20.1%
Kamloops	74.2%	65.0%	9.1	\$115.84	\$110.10	5.2%	\$85.92	\$71.60	20.0%
Kelowna	73.8%	70.0%	3.8	\$150.29	\$142.60	5.4%	\$110.86	\$99.83	11.1%
Penticton	71.1%	63.1%	8.0	\$128.63	\$128.22	0.3%	\$91.46	\$80.86	13.1%
Prince George	74.9%	67.2%	7.7	\$122.59	\$122.73	-0.1%	\$91.82	\$82.50	11.3%
Other B.C. Communities	56.5%	50.7%	5.8	\$122.37	\$118.49	3.3%	\$69.10	\$60.03	15.1%
NORTHWEST TERRITORIES	49.9%	51.9%	-2.1	\$135.43	\$142.15	-4.7%	\$67.54	\$73.83	-8.5%
YUKON	61.2%	65.2%	-4.0	\$142.56	\$126.68	12.5%	\$87.24	\$82.55	5.7%
CANADA	67.2%	65.6%	1.5	\$154.43	\$144.27	7.0%	\$103.76	\$94.70	9.6%

* Based on the operating results of 246,302 rooms (unweighted data)

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NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

REPORT OF ROOMS OPERATIONS
BY LOCATION
FIVE MONTHS ENDED MAY 2017

Location	Occupancy Percentage			Average Daily Rate			Revenue Per Available Room		
	2017	2016	**Point Change	2017	2016	Variance	2017	2016	Variance
ATLANTIC CANADA	53.8%	51.0%	2.7	\$123.28	\$119.50	3.2%	\$66.28	\$60.98	8.7%
NEWFOUNDLAND	55.3%	51.9%	3.4	\$135.66	\$135.65	0.0%	\$74.99	\$70.36	6.6%
St. John's	55.0%	51.4%	3.5	\$137.36	\$137.90	-0.4%	\$75.52	\$70.95	6.4%
PRINCE EDWARD ISLAND	41.9%	41.2%	0.8	\$109.66	\$105.74	3.7%	\$45.96	\$43.51	5.6%
NOVA SCOTIA	57.6%	55.0%	2.6	\$127.18	\$122.36	3.9%	\$73.20	\$67.25	8.9%
Halifax/Dartmouth	63.4%	58.7%	4.7	\$133.38	\$126.38	5.5%	\$84.58	\$74.21	14.0%
Other Nova Scotia	46.1%	46.5%	-0.5	\$110.39	\$110.99	-0.5%	\$50.84	\$51.66	-1.6%
NEW BRUNSWICK	51.1%	48.5%	2.7	\$113.61	\$110.28	3.0%	\$58.09	\$53.46	8.7%
Moncton	59.3%	55.7%	3.5	\$120.48	\$116.91	3.0%	\$71.40	\$65.14	9.6%
Other New Brunswick	47.1%	44.9%	2.2	\$109.28	\$106.16	2.9%	\$51.42	\$47.62	8.0%
CENTRAL CANADA	62.7%	60.9%	1.8	\$146.59	\$139.14	5.4%	\$91.87	\$84.71	8.5%
QUEBEC	63.6%	60.6%	2.9	\$152.60	\$145.75	4.7%	\$96.98	\$88.33	9.8%
Greater Quebec City	57.9%	57.4%	0.4	\$142.98	\$139.66	2.4%	\$82.72	\$80.18	3.2%
Other Quebec	56.5%	54.2%	2.3	\$149.15	\$143.49	3.9%	\$84.28	\$77.76	8.4%
Greater Montreal	68.9%	64.5%	4.4	\$156.52	\$148.11	5.7%	\$107.84	\$95.54	12.9%
Downtown Montreal	68.2%	64.7%	3.6	\$176.23	\$166.37	5.9%	\$120.24	\$107.57	11.8%
Montreal Airport/Laval	73.3%	68.0%	5.2	\$134.22	\$122.10	9.9%	\$98.33	\$83.07	18.4%
ONTARIO	62.4%	60.9%	1.5	\$144.72	\$137.08	5.6%	\$90.30	\$83.53	8.1%
Greater Toronto Area (GTA)	70.3%	68.7%	1.6	\$161.35	\$150.97	6.9%	\$113.40	\$103.68	9.4%
Downtown Toronto	69.9%	70.2%	-0.3	\$215.21	\$201.01	7.1%	\$150.33	\$141.07	6.6%
Toronto Airport	77.7%	75.8%	1.9	\$138.39	\$125.39	10.4%	\$107.54	\$95.06	13.1%
GTA West	69.6%	66.2%	3.4	\$121.69	\$115.49	5.4%	\$84.73	\$76.47	10.8%
GTA East/North	67.0%	64.0%	3.0	\$125.52	\$116.96	7.3%	\$84.04	\$74.82	12.3%
Eastern Ontario	49.1%	48.2%	0.9	\$114.77	\$110.93	3.5%	\$56.34	\$53.42	5.5%
Kingston	51.4%	52.1%	-0.8	\$118.71	\$112.81	5.2%	\$60.97	\$58.82	3.7%
Other Eastern Ontario	47.9%	46.0%	1.8	\$112.45	\$109.80	2.4%	\$53.81	\$50.55	6.5%
Ottawa	69.3%	68.6%	0.7	\$165.09	\$155.44	6.2%	\$114.41	\$106.67	7.3%
Downtown Ottawa	71.6%	73.3%	-1.7	\$181.29	\$167.16	8.5%	\$129.86	\$122.54	6.0%
Ottawa West	69.2%	67.1%	2.1	\$147.65	\$141.10	4.6%	\$102.11	\$94.68	7.8%
Ottawa East	61.3%	54.5%	6.8	\$131.03	\$128.01	2.4%	\$80.36	\$69.75	15.2%
Southern Ontario	55.6%	54.4%	1.2	\$119.70	\$116.10	3.1%	\$66.52	\$63.10	5.4%
London	61.4%	59.8%	1.6	\$110.91	\$105.96	4.7%	\$68.04	\$63.33	7.4%
Windsor	57.7%	57.2%	0.5	\$114.50	\$110.10	4.0%	\$66.05	\$62.95	4.9%
Kitchener/Waterloo/Cambridge/Guelph	58.7%	59.1%	-0.3	\$118.03	\$114.47	3.1%	\$69.31	\$67.61	2.5%
Hamilton/Brantford	63.5%	63.4%	0.1	\$117.85	\$110.63	6.5%	\$74.85	\$70.13	6.7%
Niagara Falls	54.7%	51.6%	3.0	\$128.64	\$127.73	0.7%	\$70.31	\$65.91	6.7%
Other Niagara Region	45.4%	45.4%	0.0	\$110.43	\$106.26	3.9%	\$50.09	\$48.19	3.9%
Other Southern Ontario	44.6%	45.4%	-0.8	\$110.31	\$106.39	3.7%	\$49.20	\$48.28	1.9%
Central Ontario	48.8%	46.7%	2.1	\$126.89	\$125.94	0.8%	\$61.91	\$58.85	5.2%
North Eastern Ontario	54.9%	53.4%	1.5	\$115.68	\$112.36	3.0%	\$63.56	\$59.99	5.9%
North Bay	54.6%	52.8%	1.8	\$112.10	\$111.23	0.8%	\$61.21	\$58.75	4.2%
Sudbury	55.7%	58.8%	-3.1	\$114.71	\$111.54	2.8%	\$63.90	\$65.55	-2.5%
North Central Ontario	44.9%	43.3%	1.5	\$101.78	\$98.07	3.8%	\$45.65	\$42.48	7.5%
Sault Ste. Marie									
North Western Ontario	61.7%	59.6%	2.1	\$112.43	\$109.49	2.7%	\$69.37	\$65.24	6.3%
Thunder Bay	65.0%	61.7%	3.3	\$111.54	\$108.35	2.9%	\$72.53	\$66.87	8.5%

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

REPORT OF ROOMS OPERATIONS BY LOCATION FIVE MONTHS ENDED MAY 2017

Location	Occupancy Percentage			Average Daily Rate			Revenue Per Available Room		
	2017	2016	**Point Change	2017	2016	Variance	2017	2016	Variance
WESTERN CANADA	56.9%	56.0%	0.9	\$142.96	\$140.18	2.0%	\$81.32	\$78.45	3.7%
MANITOBA	65.0%	60.3%	4.7	\$121.32	\$119.71	1.3%	\$78.91	\$72.24	9.2%
Winnipeg	67.7%	62.2%	5.6	\$123.54	\$122.66	0.7%	\$83.69	\$76.24	9.8%
Brandon	57.4%	54.1%	3.2	\$113.66	\$111.23	2.2%	\$65.21	\$60.23	8.3%
Other Manitoba	57.7%	57.2%	0.5	\$114.39	\$110.81	3.2%	\$65.96	\$63.38	4.1%
SASKATCHEWAN	49.9%	52.1%	-2.2	\$121.13	\$127.24	-4.8%	\$60.49	\$66.30	-8.8%
Regina	53.0%	59.4%	-6.4	\$120.49	\$129.04	-6.6%	\$63.83	\$76.67	-16.7%
Saskatoon	57.6%	59.7%	-2.0	\$128.82	\$135.21	-4.7%	\$74.25	\$80.68	-8.0%
Other Saskatchewan	41.2%	40.5%	0.6	\$112.55	\$115.34	-2.4%	\$46.36	\$46.76	-0.9%
ALBERTA (excl. Alta Resorts)	49.4%	49.3%	0.1	\$128.57	\$130.00	-1.1%	\$63.54	\$64.14	-0.9%
Calgary	52.2%	53.8%	-1.6	\$139.47	\$141.42	-1.4%	\$72.86	\$76.12	-4.3%
Calgary Airport	52.6%	55.2%	-2.6	\$117.23	\$121.37	-3.4%	\$61.64	\$67.02	-8.0%
Calgary Downtown	54.0%	56.1%	-2.1	\$185.41	\$183.45	1.1%	\$100.20	\$102.92	-2.6%
Calgary Northwest	55.8%	54.0%	1.9	\$107.22	\$113.39	-5.4%	\$59.87	\$61.21	-2.2%
Calgary South	46.6%	47.7%	-1.1	\$121.30	\$124.04	-2.2%	\$56.47	\$59.11	-4.5%
Edmonton	56.1%	60.8%	-4.7	\$131.79	\$130.02	1.4%	\$73.94	\$79.05	-6.5%
Downtown Edmonton	61.9%	65.3%	-3.4	\$154.26	\$143.00	7.9%	\$95.53	\$93.39	2.3%
Edmonton South	55.9%	57.6%	-1.7	\$116.63	\$119.44	-2.4%	\$65.21	\$68.83	-5.3%
Edmonton West	51.2%	61.6%	-10.4	\$126.11	\$124.94	0.9%	\$64.54	\$76.93	-16.1%
Other Alberta	43.1%	39.4%	3.8	\$116.64	\$119.83	-2.7%	\$50.32	\$47.18	6.7%
Lethbridge	50.0%	46.7%	3.3	\$110.38	\$109.10	1.2%	\$55.22	\$50.93	8.4%
Red Deer	40.4%	42.1%	-1.6	\$105.86	\$111.10	-4.7%	\$42.79	\$46.72	-8.4%
Other Alberta Communities	42.5%	37.4%	5.1	\$119.56	\$123.89	-3.5%	\$50.80	\$46.35	9.6%
Alberta Resorts	55.4%	53.1%	2.3	\$203.43	\$192.18	5.9%	\$112.77	\$102.08	10.5%
BRITISH COLUMBIA	64.7%	62.6%	2.1	\$155.60	\$148.48	4.8%	\$100.65	\$92.91	8.3%
Greater Vancouver	73.4%	73.0%	0.4	\$162.78	\$155.20	4.9%	\$119.47	\$113.36	5.4%
Airport (Richmond)	78.2%	75.5%	2.7	\$139.22	\$127.18	9.5%	\$108.84	\$96.04	13.3%
Downtown Vancouver	72.4%	74.0%	-1.6	\$191.34	\$184.22	3.9%	\$138.60	\$136.41	1.6%
Langley/Surrey	65.4%	62.3%	3.1	\$116.09	\$107.45	8.0%	\$75.88	\$66.95	13.3%
Other Vancouver	74.7%	72.8%	1.9	\$131.65	\$124.13	6.1%	\$98.32	\$90.36	8.8%
Vancouver Island	61.5%	59.4%	2.1	\$131.83	\$126.50	4.2%	\$81.01	\$75.12	7.9%
Campbell River	62.8%	54.7%	8.1	\$102.47	\$95.94	6.8%	\$64.34	\$52.45	22.7%
Greater Victoria	63.1%	61.5%	1.7	\$133.02	\$125.74	5.8%	\$83.99	\$77.31	8.6%
Nanaimo	61.8%	61.5%	0.3	\$121.71	\$115.32	5.5%	\$75.25	\$70.95	6.1%
Parksville/Qualicum Beach	54.2%	53.6%	0.6	\$119.57	\$113.83	5.0%	\$64.80	\$61.05	6.1%
Other Vancouver Island	58.3%	54.6%	3.7	\$151.04	\$153.23	-1.4%	\$87.99	\$83.64	5.2%
Whistler Resort Area	74.5%	70.8%	3.7	\$326.11	\$294.25	10.8%	\$242.92	\$208.28	16.6%
Other British Columbia	53.7%	49.4%	4.2	\$117.92	\$114.70	2.8%	\$63.30	\$56.70	11.6%
Abbotsford/Chilliwack	58.7%	53.6%	5.1	\$102.76	\$98.78	4.0%	\$60.34	\$52.98	13.9%
Kamloops	49.3%	49.0%	0.3	\$104.86	\$103.46	1.4%	\$51.74	\$50.73	2.0%
Kelowna	55.7%	55.2%	0.5	\$124.94	\$117.71	6.1%	\$69.63	\$64.99	7.1%
Penticton	48.9%	46.2%	2.7	\$105.80	\$104.79	1.0%	\$51.69	\$48.38	6.9%
Prince George	63.3%	61.1%	2.2	\$121.45	\$121.86	-0.3%	\$76.84	\$74.46	3.2%
Other B.C. Communities	52.7%	46.4%	6.4	\$121.33	\$118.78	2.1%	\$63.98	\$55.07	16.2%
NORTHWEST TERRITORIES	68.1%	69.4%	-1.3	\$145.30	\$153.65	-5.4%	\$98.89	\$106.56	-7.2%
YUKON	57.6%	58.9%	-1.3	\$122.51	\$116.70	5.0%	\$70.60	\$68.75	2.7%
CANADA	59.3%	57.9%	1.5	\$143.53	\$138.43	3.7%	\$85.18	\$80.15	6.3%

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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REGIONAL REPORT OF ROOMS OPERATIONS BY PROPERTY SIZE, PROPERTY TYPE AND PRICE LEVEL MONTH OF MAY 2017*

ATLANTIC

	Occupancy Percentage			Average Daily Rate		
	2017	2016	**Point Change	2017	2016	Variance
Property Size						
Under 50 rooms	55.7%	52.7%	3.0	\$111.06	\$108.15	2.7%
50-75 rooms	57.5%	53.0%	4.5	\$102.79	\$98.28	4.6%
76-125 rooms	64.7%	58.2%	6.5	\$123.66	\$117.45	5.3%
126-200 rooms	64.2%	58.9%	5.3	\$135.12	\$125.89	7.3%
201-500 rooms	68.7%	64.2%	4.5	\$163.93	\$157.33	4.2%
Over 500 rooms	N/A	N/A	N/A	N/A	N/A	N/A
Total	64.0%	58.7%	5.3	\$132.70	\$126.14	5.2%
Property Type						
Limited Service	63.9%	59.0%	4.9	\$118.90	\$112.47	5.7%
Full Service	65.1%	60.4%	4.7	\$140.56	\$134.48	4.5%
Suite Hotel	82.7%	72.0%	10.7	\$155.69	\$141.84	9.8%
Resort	N/A	N/A	N/A	N/A	N/A	N/A
Total	64.0%	58.7%	5.3	\$132.70	\$126.14	5.2%
Price Level						
Budget	50.6%	46.6%	4.0	\$97.11	\$92.69	4.8%
Mid-Price	67.7%	61.9%	5.9	\$137.91	\$131.17	5.1%
Upscale	63.1%	58.2%	4.9	\$161.53	\$151.81	6.4%
Total	64.0%	58.7%	5.3	\$132.70	\$126.14	5.2%

CENTRAL

	Occupancy Percentage			Average Daily Rate		
	2017	2016	**Point Change	2017	2016	Variance
Property Size						
Under 50 rooms	53.4%	53.1%	0.3	\$114.53	\$106.66	7.4%
50-75 rooms	62.5%	61.4%	1.0	\$113.90	\$108.57	4.9%
76-125 rooms	71.1%	67.4%	3.7	\$127.93	\$120.97	5.8%
126-200 rooms	73.5%	69.2%	4.3	\$141.35	\$128.06	10.4%
201-500 rooms	74.7%	71.5%	3.2	\$190.32	\$172.17	10.5%
Over 500 rooms	76.0%	77.8%	-1.8	\$213.75	\$193.21	10.6%
Total	71.9%	69.4%	2.6	\$159.59	\$147.03	8.5%
Property Type						
Limited Service	65.5%	62.8%	2.7	\$116.00	\$107.25	8.2%
Full Service	75.9%	74.0%	1.8	\$180.16	\$164.68	9.4%
Suite Hotel	80.7%	74.1%	6.6	\$161.33	\$147.75	9.2%
Resort	48.9%	45.5%	3.5	\$191.46	\$190.91	0.3%
Total	71.9%	69.4%	2.6	\$159.59	\$147.03	8.5%
Price Level						
Budget	62.9%	58.0%	4.9	\$98.67	\$90.18	9.4%
Mid-Price	74.8%	73.4%	1.4	\$158.03	\$145.73	8.4%
Upscale	76.4%	74.5%	1.9	\$254.59	\$234.38	8.6%
Total	71.9%	69.4%	2.6	\$159.59	\$147.03	8.5%

WESTERN

	Occupancy Percentage			Average Daily Rate		
	2017	2016	**Point Change	2017	2016	Variance
Property Size						
Under 50 rooms	50.8%	47.6%	3.2	\$105.19	\$99.49	5.7%
50-75 rooms	59.0%	56.1%	2.9	\$115.23	\$114.55	0.6%
76-125 rooms	60.4%	60.2%	0.2	\$130.39	\$126.00	3.5%
126-200 rooms	63.6%	64.9%	-1.2	\$143.53	\$136.83	4.9%
201-500 rooms	67.2%	69.1%	-1.9	\$180.29	\$165.85	8.7%
Over 500 rooms	77.5%	74.6%	3.0	\$275.32	\$249.75	10.2%
Total	62.9%	62.9%	0.0	\$151.72	\$143.72	5.6%
Property Type						
Limited Service	57.3%	56.2%	1.1	\$116.31	\$113.90	2.1%
Full Service	67.2%	68.1%	-0.9	\$164.77	\$153.80	7.1%
Suite Hotel	65.3%	71.4%	-6.0	\$162.38	\$158.41	2.5%
Resort	63.7%	61.1%	2.6	\$216.22	\$198.40	9.0%
Total	62.9%	62.9%	0.0	\$151.72	\$143.72	5.6%
Price Level						
Budget	58.8%	56.2%	2.6	\$105.56	\$98.04	7.7%
Mid-Price	62.3%	63.4%	-1.1	\$139.41	\$134.48	3.7%
Upscale	70.2%	68.4%	1.8	\$248.97	\$228.26	9.1%
Total	62.9%	62.9%	0.0	\$151.72	\$143.72	5.6%

CANADA *

	Occupancy Percentage			Average Daily Rate		
	2017	2016	**Point Change	2017	2016	Variance
Property Size						
Under 50 rooms	52.0%	50.0%	2.0	\$109.34	\$102.92	6.2%
50-75 rooms	60.2%	57.8%	2.4	\$113.54	\$110.76	2.5%
76-125 rooms	64.9%	62.9%	2.0	\$128.80	\$123.21	4.5%
126-200 rooms	68.3%	66.3%	2.0	\$141.77	\$131.71	7.6%
201-500 rooms	71.1%	70.0%	1.0	\$184.76	\$168.66	9.5%
Over 500 rooms	76.4%	77.0%	-0.6	\$229.99	\$206.90	11.2%
Total	67.2%	65.6%	1.5	\$154.43	\$144.27	7.0%
Property Type						
Limited Service	61.2%	59.1%	2.1	\$116.39	\$110.84	5.0%
Full Service	71.4%	70.6%	0.9	\$171.54	\$158.42	8.3%
Suite Hotel	75.9%	73.2%	2.7	\$161.30	\$150.51	7.2%
Resort	57.9%	54.9%	3.0	\$209.19	\$195.81	6.8%
Total	67.2%	65.6%	1.5	\$154.43	\$144.27	7.0%
Price Level						
Budget	60.7%	56.7%	4.0	\$100.95	\$93.11	8.4%
Mid-Price	68.1%	67.5%	0.5	\$147.99	\$139.41	6.1%
Upscale	73.1%	71.2%	1.9	\$249.88	\$229.99	8.7%
Total	67.2%	65.6%	1.5	\$154.43	\$144.27	7.0%

* Based on the operating results of 246,302 rooms (unweighted data)

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NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

REGIONAL REPORT OF ROOMS OPERATIONS
BY PROPERTY SIZE, PROPERTY TYPE AND PRICE LEVEL
FIVE MONTHS ENDED MAY 2017

ATLANTIC

CENTRAL

	Occupancy Percentage			Average Daily Rate		
	2017	2016	**Point Change	2017	2016	Variance
Property Size						
Under 50 rooms	42.0%	42.2%	-0.2	\$108.35	\$100.36	8.0%
50-75 rooms	47.4%	44.8%	2.6	\$99.93	\$97.20	2.8%
76-125 rooms	54.4%	51.4%	3.0	\$118.61	\$114.89	3.2%
126-200 rooms	57.6%	55.9%	1.7	\$127.73	\$121.48	5.1%
201-500 rooms	54.1%	49.6%	4.5	\$141.45	\$140.38	0.8%
Over 500 rooms	N/A	N/A	N/A	N/A	N/A	N/A
Total	53.8%	51.0%	2.7	\$123.28	\$119.50	3.2%
Property Type						
Limited Service	54.6%	51.9%	2.7	\$116.76	\$112.72	3.6%
Full Service	53.1%	50.9%	2.2	\$126.62	\$123.38	2.6%
Suite Hotel	65.2%	62.3%	3.0	\$139.04	\$131.15	6.0%
Resort	N/A	N/A	N/A	N/A	N/A	N/A
Total	53.8%	51.0%	2.7	\$123.28	\$119.50	3.2%
Price Level						
Budget	40.8%	39.2%	1.6	\$93.64	\$90.65	3.3%
Mid-Price	57.1%	54.2%	2.9	\$127.41	\$123.80	2.9%
Upscale	54.7%	49.4%	5.3	\$146.28	\$141.26	3.6%
Total	53.8%	51.0%	2.7	\$123.28	\$119.50	3.2%

	Occupancy Percentage			Average Daily Rate		
	2017	2016	**Point Change	2017	2016	Variance
Property Size						
Under 50 rooms	44.4%	43.1%	1.3	\$108.16	\$103.34	4.7%
50-75 rooms	53.4%	51.8%	1.6	\$109.26	\$105.94	3.1%
76-125 rooms	61.2%	59.4%	1.8	\$121.48	\$117.27	3.6%
126-200 rooms	62.8%	60.8%	2.0	\$132.09	\$123.48	7.0%
201-500 rooms	66.3%	64.6%	1.7	\$170.98	\$161.77	5.7%
Over 500 rooms	68.7%	66.8%	1.9	\$188.20	\$176.39	6.7%
Total	62.7%	60.9%	1.8	\$146.59	\$139.14	5.4%
Property Type						
Limited Service	57.1%	55.5%	1.6	\$111.27	\$106.17	4.8%
Full Service	64.7%	63.2%	1.5	\$160.91	\$151.76	6.0%
Suite Hotel	72.9%	69.1%	3.8	\$147.54	\$141.08	4.6%
Resort	53.9%	51.1%	2.8	\$196.30	\$189.76	3.4%
Total	62.7%	60.9%	1.8	\$146.59	\$139.14	5.4%
Price Level						
Budget	54.7%	51.9%	2.8	\$93.69	\$87.97	6.5%
Mid-Price	64.9%	63.8%	1.1	\$144.86	\$137.75	5.2%
Upscale	67.2%	64.9%	2.3	\$224.30	\$213.88	4.9%
Total	62.7%	60.9%	1.8	\$146.59	\$139.14	5.4%

WESTERN

CANADA

	Occupancy Percentage			Average Daily Rate		
	2017	2016	**Point Change	2017	2016	Variance
Property Size						
Under 50 rooms	44.8%	42.0%	2.7	\$101.19	\$98.22	3.0%
50-75 rooms	51.8%	50.5%	1.3	\$108.60	\$108.81	-0.2%
76-125 rooms	54.8%	53.3%	1.5	\$125.00	\$125.03	0.0%
126-200 rooms	58.7%	58.0%	0.8	\$134.42	\$132.41	1.5%
201-500 rooms	60.9%	61.5%	-0.6	\$169.74	\$163.24	4.0%
Over 500 rooms	66.7%	65.3%	1.5	\$251.55	\$236.67	6.3%
Total	56.9%	56.0%	0.9	\$142.96	\$140.18	2.0%
Property Type						
Limited Service	51.1%	49.5%	1.6	\$111.35	\$111.73	-0.3%
Full Service	60.4%	60.1%	0.3	\$148.65	\$145.47	2.2%
Suite Hotel	63.0%	65.3%	-2.3	\$155.25	\$155.59	-0.2%
Resort	60.9%	58.5%	2.3	\$228.92	\$212.54	7.7%
Total	56.9%	56.0%	0.9	\$142.96	\$140.18	2.0%
Price Level						
Budget	51.3%	49.2%	2.1	\$96.48	\$92.52	4.3%
Mid-Price	56.7%	56.2%	0.5	\$130.48	\$129.69	0.6%
Upscale	64.3%	62.6%	1.6	\$240.18	\$227.88	5.4%
Total	56.9%	56.0%	0.9	\$142.96	\$140.18	2.0%

	Occupancy Percentage			Average Daily Rate		
	2017	2016	**Point Change	2017	2016	Variance
Property Size						
Under 50 rooms	44.5%	42.5%	2.0	\$104.34	\$100.41	3.9%
50-75 rooms	52.0%	50.4%	1.6	\$108.08	\$106.73	1.3%
76-125 rooms	57.3%	55.6%	1.7	\$123.05	\$121.01	1.7%
126-200 rooms	60.5%	59.1%	1.5	\$132.78	\$127.28	4.3%
201-500 rooms	63.2%	62.3%	0.9	\$169.01	\$161.44	4.7%
Over 500 rooms	68.2%	66.4%	1.8	\$204.56	\$191.42	6.9%
Total	59.3%	57.9%	1.5	\$143.53	\$138.43	3.7%
Property Type						
Limited Service	53.8%	52.1%	1.7	\$111.76	\$109.44	2.1%
Full Service	62.1%	61.0%	1.1	\$153.82	\$147.48	4.3%
Suite Hotel	69.4%	67.6%	1.7	\$149.32	\$144.83	3.1%
Resort	58.0%	55.3%	2.7	\$219.07	\$205.58	6.6%
Total	59.3%	57.9%	1.5	\$143.53	\$138.43	3.7%
Price Level						
Budget	52.5%	50.0%	2.5	\$94.71	\$89.81	5.5%
Mid-Price	60.2%	59.3%	0.9	\$136.83	\$132.93	2.9%
Upscale	65.5%	63.5%	2.0	\$230.15	\$219.40	4.9%
Total	59.3%	57.9%	1.5	\$143.53	\$138.43	3.7%

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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In resource dependent markets in Alberta, Saskatchewan, and other parts of western Canada, hotel cash flows are expected to continue to temper again this year - but there is light at the end of the tunnel. With expectations for improved performance in 2018 and beyond, cap rates declined in Q1 2017 as investors in these markets expect to see significant gains and rising returns once the long awaited recovery begins. In Calgary and Edmonton in particular cap rates compressed by 100 bps in the limited service segment category. Cap rates in Edmonton and Calgary are currently at 7.75% to 8.25% for Downtown Full Service Hotels, and between 8.25% and 9.50% for Suburban Limited Service and Focused Service Hotels.

Positive job growth and record low unemployment has made Montreal a prime alternative to markets such as Toronto and Vancouver. Montreal's hotel sector in particular has evolved in recent years, generating increased interest. The City has seen the closure of over 1,200 hotel rooms since 2012 which has positively impacted market performance and led to the development of several new high quality hotels. While cap rates have held steady, as the market posts strong occupancy results and Revenue Per Available Room rates reach elevated levels - investor interest in the City's hotel sector is expected to grow. Cap rates in Montreal are currently at 7.50% to 8.50% for Downtown Full Service Hotels, and between 8.25% and 9.25% for Suburban Limited Service and Focused Service Hotels.

2017 will be a good year for Canada's hotel sector. With the Canadian dollar expected to remain at current levels, and the significant promotion around the country's 150th anniversary, we expect 2017 will be a peak year for travel. With continued expectation for net income upside in most markets, and stable financing costs, capitalization rates are forecast to hold close to current levels for the remainder of 2017.

Foreign investor demand for Canadian hotel assets is expected to remain prevalent, and domestic buyers are showing no signs of declining interest. Overall, the outlook for hotel investment in Canada is optimistic through 2017.

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