DESTINATION CANADA

Tourism Snapshot

A Monthly Monitor of the Performance of Canada's Tourism Industry

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Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- Canada welcomed 2,514,515 overnight visitors from DC's 11 international markets in August 2016, up 7.0% year-over-year, noting slightly slowed growth following several months of double-digit expansion. Year-to-date, overnight international arrivals have reached 12.4 million – up 10.4% over the same period of 2015. This trend is lead primarily by DC's 10 overseas markets, which registered growth of 19.7% in August and 14.4% YTD, and in particular by the Asia-Pacific and European markets, which reached new records for the first eight months of the year.
- Nearly all of DC's 11 international markets noted strong gains in overnight arrivals in August 2016, lead in particular by South Korea (+46.2%), followed by the UK (+29.2%), Japan (+23.7%), and China (+23.0%). The only exception to this positive trend is Brazil, which saw a decline of 19.0% compared to August 2015.
- DC's Asia-Pacific markets continued to stand out, with increased arrivals of +24.0% in August 2016 and 18.0% YTD. South Korea (+27.9% YTD), China (+23.8% YTD), Australia (+13.0% YTD), and India (+10.2% YTD) have registered more arrivals over the first eight months than any other year.
- Despite a sharp decline in overnight arrivals from Brazil in August 2016, DC's Latin American markets (+3.8%) maintained positive growth on the strength of robust gains from Mexico (+18.9%).
- Overnight arrivals from the United States increased at a reduced pace in August 2016, (+3.8%), with growth in air (+11.6%) and auto (+2.3%) arrivals offsetting a drop in arrivals by other modes of transport (-4.8%).

Industry Performance Dashboard

	August 2016	YTD
Overnight Arrivals[1]		
Total International	↑ 7.9%	↑ 10.5%
11 DC Markets**	↑ 7.0%	↑ 10.4%
United States	↑ 3.8%	↑ 9.4%
10 Overseas Markets	↑ 19.7%	↑ 14.4%
Non-DC Markets	↑ 15.7%	↑ 10.9%
Air Seat Capacity[2]		
Total International	↑ 8.5%	↑ 6.3%
11 DC Markets**	↑ 7.5%	↑ 5.5%
Non-DC Markets	↑ 11.1%	↑ 8.2%
National Hotel Indicators[3]		
Occupancy Rate*	↓ -0.4	↓ -0.1
Revenue Per Available Room (Revpar)	↑ 3.3%	↑ 3.2%
Average Daily Rate (ADR)	↑ 2.9%	↑ 3.1%

Notes:
The Industry Performance Dashboard figures are year-on-year (2016/2015) variations.
* Percentage point variations.
** The 11 DC markets are US, France, Germany, UK, Australia, China, India, Japan, South Korea, Brazil and Mexico.

Sources:
1. International Travel Survey, Statistics Canada.
2. Diio Mi.
3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

QUICK LINKS

UNITED STATES
EUROPE
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LATIN AMERICA

MARKET MONITOR SUMMARY

	Market	Overnight Arrivals[i]		Arrival YOY Variations (%)		Air Seat capacity[ii]		Local currency vs. CAD[iii]	
		Aug. 2016	YTD 2016	Aug. 2016	YTD 2016	Aug. 2016	YTD 2016	Aug. 2016 Average	YTD Average
United States	United States	1,953,135	9,818,089	3.8%	9.4%	2.7%	2.8%	-1.2%	7.8%
DC Europe	France	89,798	374,894	11.2%	8.6%	9.1%	5.6%	-0.6%	7.8%
	Germany	59,170	248,021	9.3%	10.9%	2.3%	2.4%	-0.6%	7.8%
	United Kingdom	139,057	573,972	29.2%	14.7%	19.4%	10.9%	-16.9%	1.5%
DC Asia-Pacific	Australia	44,016	221,574	18.1%	13.0%	129.8%	26.9%	3.4%	1.0%
	China	90,073	428,722	23.0%	23.8%	25.0%	24.6%	-5.7%	2.6%
	India	26,800	153,838	17.7%	10.2%	67.5%	62.1%	-3.8%	0.7%
	Japan	45,615	193,406	23.7%	11.1%	18.9%	8.8%	20.1%	16.2%
	South Korea	29,608	165,248	46.2%	27.9%	53.0%	32.0%	4.9%	0.3%
DC Latin America	Brazil	11,556	77,423	-19.0%	-4.0%	-15.0%	-9.4%	8.5%	-14.0%
	Mexico	25,687	169,510	18.9%	17.9%	31.8%	41.2%	-11.3%	-9.7%
Total 11 DC Markets		2,514,515	12,424,697	7.0%	10.4%				
Rest of the World		315,168	1,590,124	15.7%	10.9%				
Total International		2,829,683	14,014,821	7.9%	10.5%				

Sources:
i. International Travel Surey, Statistics Canada.
ii. Diio Mi.
iii. Bank of Canada.

Notes:
i. Arrival figures are preliminary estimates and are subject to change.
ii. Air seat capacity is the variation in the total number of seats on direct commercial scheduled flights in the current month and year-to-date relative to the same periods in 2015.
iii. The exchange rate variation is calculated on the average value of the Canadian dollar during the current month and the year-to-date compared to the same periods in 2015.

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

+3.8% ↑ YOY

YTD:

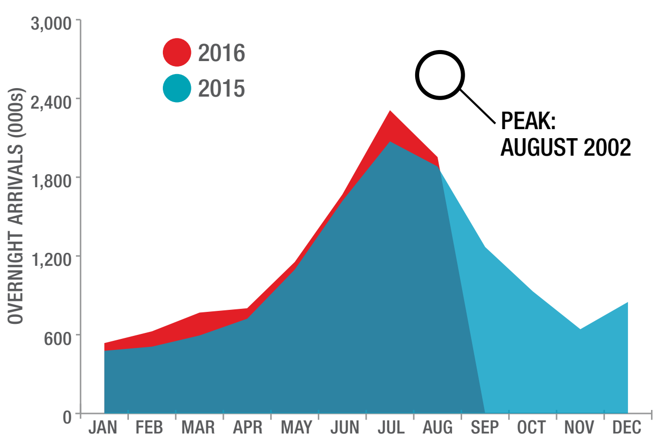
+9.4% ↑ YOY

Overnight Arrivals

	August 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	1,193,670	2.3	5,749,376	7.3
Air	538,070	11.6	3,099,249	17.0
Other	221,395	-4.8	969,464	0.7
US Total	**1,953,135**	**3.8**	**9,818,089**	**9.4**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total United States Arrivals



United States: Key Indicators

Air Seat Capacity[i]	August 2016	2.7%
	YTD	2.8%
Exchange Rate[ii]	August 2016	-1.2%
	YTD	7.8%
Consumer Confidence Index (1985=100)[iii]	August 2016	101.8
	Previous Month	96.7
YTD Arrival Peak[iv]	Peak Year	2002
	Current % of Previous Peak	82.2%

Source:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, International Travel Survey.

UNITED STATES

- Canada welcomed about 1.95 million overnight visitors from the US in August 2016, up 3.8% over August 2015. This is slower growth than observed for several months earlier this year, but still the highest number of US visitors in August since 2008.
- Most of August's growth is attributable to an increase in air arrivals (+11.6%). Auto arrivals growth has slowed from the peak noted in July, up just 2.3%, while arrivals by other modes of transport (e.g. rail, bus, sea) have declined compared to August 2015 (-4.8%).
- A total of 9.82 million US visitors arrived in Canada from January to August, up 9.4% over 2015 YTD. This growth is led by increased arrivals by air (+17.0), followed by auto (+7.3%). Arrivals by other modes of transport are only marginally above 2015 YTD counts (+0.7%).
- While the US dollar trended slightly down this month (-1.2% compared to August 2015) it remains strong overall compared to 2015 (+7.8%), and air capacity continues to see slow and steady growth (+2.7% over August 2015, +2.8% YTD). Canadian outbound travel to the US continues the downward trend noted throughout 2016 (down 5.4% from August 2015 and 10.2% year-to-date), suggesting that a larger share of the air capacity between the two countries is being taken up by US visitors to Canada.
- The consumer confidence index published by the US Conference Board reached 101.8 points in August, up 5.1 points from July, indicating a significant jump in US consumer optimism.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+18.8% ↑ YOY

YTD:

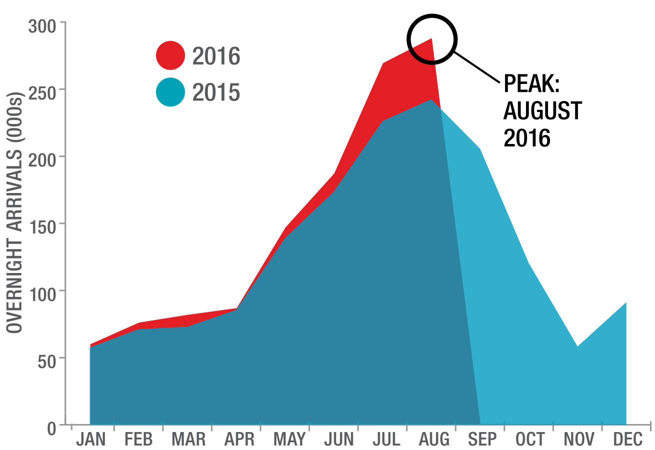
+12.0% ↑ YOY

Overnight Arrivals

	August 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**288,025**	**18.8**	**1,196,887**	**12.0**
United Kingdom	139,057	29.2	573,972	14.7
France	89,798	11.2	374,894	8.6
Germany	59,170	9.3	248,021	10.9
Secondary Markets				
Italy	30,003	19.8	92,665	11.1
Netherlands	20,997	26.7	98,926	14.4
Spain	18,612	28.3	61,380	22.4
Switzerland	18,934	19.6	95,035	12.1
Rest of Europe	**71,603**	**15.9**	**395,602**	**11.6**
Total Europe	**448,174**	**19.1**	**1,940,495**	**12.3**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Europe Arrivals



DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacity[i]	August 2016	9.1%	2.3%	19.4%
	YTD	5.6%	2.4%	10.9%
Exchange Rate[ii]	August 2016	-0.6%	-0.6%	-16.9%
	YTD	7.8%	7.8%	1.5%
YTD Arrival Peak[iii]	Peak Year	2015	1996	2005
	Current % of Previous Peak	108.6%	76.1%	90.9%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

EUROPE

- In August 2016, Canada saw 288,025 visitors arriving from DC's European markets, up 18.8% over August 2015 and 12.0% YTD. Record-high August arrivals for the UK and France helped set a new August record for the European market.

- The UK is leading this trend, having reached a new August peak in arrivals with 29.2% growth over August 2015 and YTD growth of 14.7%. This is supported by increased air capacity this month (+19.4%) and YTD (+10.9). The continued depreciation of the GBP following the Brexit outcome does not appear to have impeded British travel to Canada at this point.

- For the second month in a row, France set a new monthly record for monthly arrivals to Canada, with an increase of 11.2% over August 2015. This continued growth, supported by increased air capacity (+9.1% in August and +5.6% YTD), has led to a new record peak of 374,894 YTD arrivals from France in 2016.

- Arrivals from Germany also increased significantly this month, with growth of 9.3% over August 2015 and 10.9% YTD. Air capacity from Germany to Canada also increased slightly this month for August (+2.3%) and YTD (+2.4%), though at a slower pace than DC's other markets.

- Continuing the downward trend observed throughout 2016, the Euro was marginally weaker in August 2016 compared to the same month a year ago (-0.6%), but still stronger overall year-over-year (+7.8%).

DC Europe Arrivals by Port of Entry

- Approximately 7-in-10 arrivals from DC's European markets were direct air arrivals from overseas, including 67% from France, 70% from Germany and 73% from the UK. Air arrivals via the US were the next most popular route, accounting for 26% of arrivals from France and 16% each from Germany and the UK. Land arrivals are less common, with 12% of German arrivals and 7% each from France and the UK.

- YTD German arrivals increased substantially over 2015 at Toronto-Pearson (+24%) and Montreal-Trudeau (+26%), while UK growth is most noticeable at YVR (+22%).

January to August 2016			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	41,113	68,150	197,132
		YOY%	9.5%	23.6%	17.9%
		% of Total	**11.0%**	**27.5%**	**34.3%**
	YVR	Arrivals	13,742	43,142	98,336
		YOY%	14.2%	5.8%	22.1%
		% of Total	**3.7%**	**17.4%**	**17.1%**
	YUL	Arrivals	185,394	26,262	36,956
		YOY%	15.4%	25.7%	14.5%
		% of Total	**49.5%**	**10.6%**	**6.4%**
	YYC	Arrivals	3,984	20,629	51,774
		YOY%	12.8%	13.3%	6.8%
		% of Total	**1.1%**	**8.3%**	**9.0%**
	All other airports	Arrivals	8,393	15,364	34,194
		YOY%	3.9%	11.4%	8.9%
		% of Total	**2.2%**	**6.2%**	**6.0%**
	Subtotal	Arrivals	252,626	173,547	418,392
		YOY%	13.7%	15.7%	18.5%
		% of Total	**67.4%**	**70.0%**	**72.9%**
Air Arrivals via the US	All airports	Arrivals	95,563	38,473	91,448
		YOY%	3.9%	-2.2%	12.9%
		% of Total	**25.5%**	**15.5%**	**15.9%**
Sea Arrivals	All sea borders	Arrivals	1,709	6,747	24,768
		YOY%	23.1%	-0.8%	-50.7%
		% of Total	**0.5%**	**2.7%**	**4.3%**
Land Arrivals via US	All land borders	Arrivals	24,949	29,033	39,268
		YOY%	-15.7%	5.6%	1.8%
		% of Total	**6.7%**	**11.7%**	**6.8%**
Total Overnight Arrivals			**374,894**	**248,021**	**573,972**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

ASIA-PACIFIC

DC Asia-Pacific Arrivals to Canada

CURRENT MONTH:

+24.0% ↑ YOY

YTD:

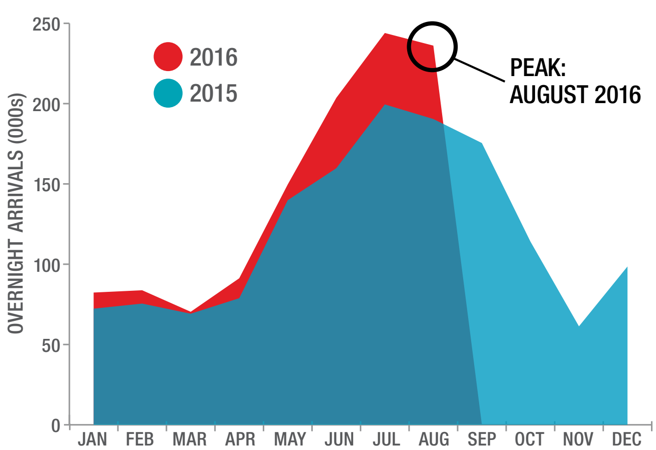
+18.0% ↑ YOY

Overnight Arrivals

	August 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**236,112**	**24.0**	**1,162,788**	**18.0**
Australia	44,016	18.1	221,574	13.0
China	90,073	23.0	428,722	23.8
India	26,800	17.7	153,838	10.2
Japan	45,615	23.7	193,406	11.1
South Korea	29,608	46.2	165,248	27.9
Secondary Markets				
Hong Kong	16,601	5.4	109,979	1.8
Taiwan	8,866	17.9	62,459	26.4
Rest of Asia-Pacific	65,067	18.5	341,942	10.0
Total Asia-Pacific	**326,646**	**21.6**	**1,677,168**	**15.4**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Asia-Pacific Arrivals



Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity[i]	August 2016	129.8%	25.0%	67.5%	18.9%	53.0%
	YTD	26.9%	24.6%	62.1%	8.8%	32.0%
Exchange Rate[ii]	August 2016	3.4%	-5.7%	-3.8%	20.1%	4.9%
	YTD	1.0%	2.6%	0.7%	16.2%	0.3%
YTD Arrival Peak[iii]	Peak Year	2015	2015	2015	1996	2007
	Current % of Previous Peak	113.0%	123.8%	110.2%	43.6%	116.7%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

- The Asia-Pacific region continues to stand out with stronger growth in 2016 YTD than any of DC's other regions, with all individual markets except Japan on-track for record arrivals this year.
- In August 2016, Canada welcomed 236,112 visitors from DC's Asia-Pacific markets – an increase of 24.0% over August 2015 and 18.0% YTD, and a new record for August.
- Canada welcomed another record number of arrivals from China in August, up 23% over 2015 (+23.8% YTD). Expanded air capacity (+25.0%, +24.6% YTD) supported this growth.
- South Korea arrivals saw the biggest growth of all DC's individual markets in August 2016, jumping 46.2% (+27.9% YTD) to reach a new monthly and year-to-date record. This trend is supported by significantly expanded air capacity (+53.0%, +32.0%YTD).
- Canada also welcomed more visitors from Japan in August 2016 (+23.7%, +11.1% YTD), supported by an increase of 18.9% (8.8% YTD) in air capacity and a surging Yen.
- Arrivals from India reached a new peak and noted significant growth in August 2016 (+17.7%, +10.2% YTD, though at a slower pace than other DC Asia-Pacific markets despite a large increase in air capacity (+67.5% in August and +62.1% YTD).
- With new services from Brisbane and Sydney, Australian arrivals benefited from a significant expansion in air capacity over 2015 (+129.8% in August and +26.9% YTD) to reach a new peak in August (+18.1%, +13.0% YTD).

DC Asia-Pacific Arrivals by Port of Entry

- In 2016 YTD, with the exception of Australia, most Asia-Pacific visitors were direct overseas air arrivals – 72% from China, 67% from Japan, 62% from India, 53% from South Korea, but only 33% from Australia.
- A larger proportion of Australian visitors were air arrivals via the US – 40% from Australia compared to 23% from Japan, 16% from China, and 15% each from India and South Korea.
- Arrivals from China were up 661% to YUL and 398% to YYC compared to 2015, though most Chinese arrivals remain at YYZ and YVR. South Korea arrivals also note a sharp increase at YYZ, and Japan arrivals are notably up at YUL.

January to August 2016			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	10,452	129,912	62,022	42,054	31,316
		YOY%	11.7%	27.9%	10.9%	10.4%	70.7%
		% of Total	**4.7%**	**30.3%**	**40.3%**	**21.7%**	**19.0%**
	YVR	Arrivals	59,932	162,511	18,469	73,485	53,998
		YOY%	23.0%	23.3%	25.9%	10.0%	25.3%
		% of Total	**27.0%**	**37.9%**	**12.0%**	**38.0%**	**32.7%**
	YUL	Arrivals	1,559	12,576	6,526	621	415
		YOY%	22.9%	660.8%	3.1%	64.3%	16.2%
		% of Total	**0.7%**	**2.9%**	**4.2%**	**0.3%**	**0.3%**
	YYC	Arrivals	1,089	3,945	6,273	12,395	1,748
		YOY%	40.3%	398.1%	15.5%	15.9%	-3.3%
		% of Total	**0.5%**	**0.9%**	**4.1%**	**6.4%**	**1.1%**
	All other airports	Arrivals	651	774	2,206	156	128
		YOY%	1.1%	0.3%	2.7%	0.1%	0.2%
		% of Total	**0.3%**	**0.2%**	**1.4%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	73,683	309,718	95,496	128,711	87,605
		YOY%	21.2%	30.9%	12.0%	10.7%	37.4%
		% of Total	**33.3%**	**72.2%**	**62.1%**	**66.5%**	**53.0%**
Air Arrivals via the US	All airports	Arrivals	89,415	67,896	22,978	43,869	24,515
		YOY%	6.1%	11.8%	9.8%	6.8%	9.8%
		% of Total	**40.4%**	**15.8%**	**14.9%**	**22.7%**	**14.8%**
Sea Arrivals	All sea borders	Arrivals	28,957	12,172	8,370	3,402	3,650
		YOY%	25.9%	6.5%	11.9%	26.3%	3.3%
		% of Total	**13.1%**	**2.8%**	**5.4%**	**1.8%**	**2.2%**
Land Arrivals via US	All land borders	Arrivals	29,432	38,624	26,971	16,697	48,966
		YOY%	4.9%	2.8%	4.0%	18.4%	23.7%
		% of Total	**13.3%**	**9.0%**	**17.5%**	**8.6%**	**29.6%**
Total Overnight Arrivals			**221,574**	**428,722**	**153,838**	**193,406**	**165,248**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

LATIN AMERICA

DC Latin America Arrivals to Canada

CURRENT MONTH:

+3.8% ↑ YOY

YTD:

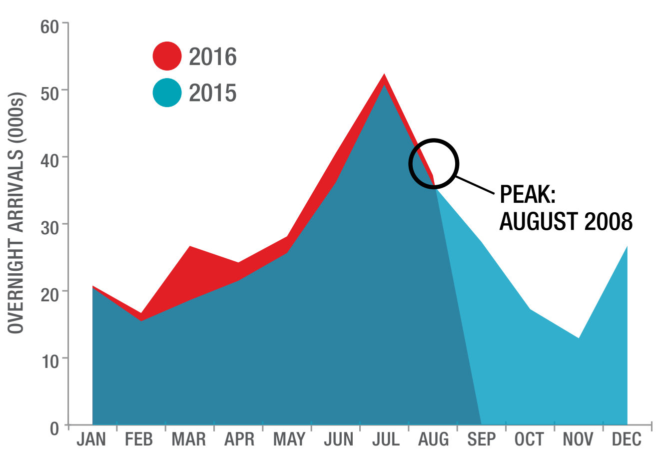
+10.0% ↑ YOY

Overnight Arrivals

	August 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**37,243**	**3.8**	**246,933**	**10.0**
Brazil	11,556	-19.0	77,423	-4.0
Mexico	25,687	18.9	169,510	17.9
Rest of Latin America	44,630	4.4	119,701	4.9
Total Latin America	**81,873**	**4.1**	**366,634**	**8.3**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Arrival Trend Plot – Total DC Latin America



DC Latin America: Key Indicators

		Brazil	Mexico
Air Seat Capacity[i]	August 2016	-15.0%	31.8%
	YTD	-9.4%	41.2%
Exchange Rate[ii]	August 2016	8.5%	-11.3%
	YTD	-14.0%	-9.7%
YTD Arrival Peak[iii]	Peak Year	2015	2008
	Current % of Previous Peak	96.0%	85.1%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

LATIN AMERICA

- Canada welcomed 37,243 visitors from DC's two Latin America markets in August 2016, an increase of 3.8% over August 2015 (+10.0% YTD).
- This growth in Latin American arrivals continues to be driven by solid increases from Mexico (+18.9%, +17.9% YTD), which is supported by significantly increased air capacity (+31.8% in August and +41.2% YTD) and does not appear to be impacted by the weaker Mexican peso (-9.7% YTD). Mexican arrivals continue to trend upward, approaching pre-visa imposition levels ahead of the upcoming visa lift in December.
- In sharp contrast with DC's other international markets, Brazil arrivals saw a decline of 19.0% (-4.0% YTD) in August 2016. This trend is aligned with ongoing drops in air capacity (-15.0% in August, -9.4% YTD), and a weaker Real (-14.0% YTD), though the Rio Olympics likely also played a role in reducing Brazilian outbound travel.

DC Latin America Arrivals by Port of Entry

- From Mexico, most visitors in the first eight months of 2016 were direct air arrivals (56%), with almost equal proportions coming via the US by air (19%) or by land (20%). From Brazil, the largest proportion was direct air arrivals (50%), but nearly as many arrived by air via the US (44%) and far fewer arrived by land via the US (4%). Arrivals by sea were uncommon for both markets (5% from Mexico, 2% from Brazil).
- Vancouver International Airport (YVR) continues to record the largest growth in arrivals from both Mexico (+84.5%) and Brazil (+96.5%) so far in 2016, but YYZ still receives the most direct air arrival visitors from both countries.

January to August 2016			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	35,848	43,142
		YOY%	-1.5%	17.7%
		% of Total	**46.3%**	**25.5%**
	YVR	Arrivals	957	30,919
		YOY%	96.5%	84.5%
		% of Total	**1.2%**	**18.2%**
	YUL	Arrivals	1,326	16,995
		YOY%	31.4%	2.3%
		% of Total	**1.7%**	**10.0%**
	YYC	Arrivals	99	2,503
		YOY%	-10.8%	16.8%
		% of Total	**0.1%**	**1.5%**
	All other airports	Arrivals	128	1,414
		YOY%	0.3%	2.0%
		% of Total	**0.2%**	**0.8%**
	Subtotal	Arrivals	38,358	94,973
		YOY%	0.6%	28.4%
		% of Total	**49.5%**	**56.0%**
Air Arrivals via the US	All airports	Arrivals	34,138	32,541
		YOY%	-5.3%	1.7%
		% of Total	**44.1%**	**19.2%**
Sea Arrivals	All sea borders	Arrivals	1,769	8,006
		YOY%	-38.9%	-78.4%
		% of Total	**2.3%**	**4.7%**
Land Arrivals via US	All land borders	Arrivals	3,067	33,915
		YOY%	-91.5%	6.0%
		% of Total	**4.0%**	**20.0%**
Total Overnight Arrivals			**77,423**	**169,510**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

COMPETITIVE REVIEW

January to August 2016		Trips To:			
		Canada		Australia	
Trips From:			% YOY Variance		% YOY Variance
Total International		**14,014,821**	**10.5%**	**5,229,100**	**11.7%**
United States		9,818,089	9.4%	451,700	18.9%
Canada		...	...	94,100	3.9%
Europe	**United Kingdom**	573,972	14.7%	429,100	4.5%
	France	374,894	8.6%	76,300	1.9%
	Germany	248,021	10.9%	120,300	5.6%
Asia-Pacific	**Australia**	221,574	13.0%	...	...
	Japan	193,406	11.1%	264,600	25.6%
	South Korea	165,248	27.9%	182,900	28.1%
	China	428,722	23.8%	836,000	20.7%
	India	153,838	10.2%	166,900	7.9%
Latin America	**Mexico**	169,510	17.9%	5,400	-3.6%
	Brazil	77,423	-4.0%	28,000	-5.1%
Total DC Key Markets		**12,424,697**	**10.4%**	**2,655,300**	**15.2%**

Sources:
Statistics Canada, International Travel Survey Border Counts.
Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- From January to August 2016, Canada (+10.5%) has had slightly slower growth over 2015 in total international arrivals than Australia (+11.7%), but more total international visitors, with 14.01 million year-to-date vs. Australia's 5.23 million.

- Australia (+15.2%) also saw more growth in arrivals from DC's 11 markets than Canada (+10.4%), though again Canada received more total visitors from these markets (12.4 million) than Australia (2.7 million). Visitors from DC's markets continue to account for a much higher proportion of Canada's international arrivals (89%) than Australia's (51%).

- Canada welcomed more Australians (221,574, +13.0%) so far in 2016 than Australia has Canadians (94,100, +3.9%).

- While Australia (18.9%) continues to see stronger growth in US arrivals than Canada (+9.4%) year-over-year, more than twenty times more US travellers have visited Canada (9.82 million) so far in 2016 than have visited Australia (451,700) in that time.

- By way of contrast, while Canada saw slightly stronger growth in Chinese arrivals this year (23.8% vs. 20.7%), Australia (836,000) has welcomed nearly twice as many total visitors from their main long-haul inbound market of China than Canada (428,722).

- Likely driven by the sharp increase in South Korean visitors in August 2016, YTD growth in South Korean arrivals to Canada (27.9%) is on pace to match Australian levels (+28.1%).

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry, Year to Date

		Newfoundland and Labrador	Prince Edwad Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2016	37,340	1,143	118,490	222,323	2,008,841	6,569,181
	Variance YOY%	19.5%	390.6%	-2.1%	21.2%	10.2%	11.0%
	Change YOY	6,104	910	(2,539)	38,823	185,957	653,438
US Residents by Automobile	2016	0	0	9,620	183,894	762,542	3,084,026
	Variance YOY%	0.0%	0.0%	-27.8%	7.7%	9.4%	6.4%
	Change YOY	-	-	(3,711)	13,166	65,471	185,435
US Residents by Non-Automobile	2016	6,713	192	64,267	32,423	519,319	1,722,498
	Variance YOY%	-41.2%	-13.9%	7.3%	40.6%	8.6%	17.4%
	Change YOY	(4,701)	(31)	4,396	9,363	40,943	255,706
Residents from Other Countries	2016	30,627	951	44,603	6,006	726,980	1,762,657
	Variance YOY%	27.9%	2781.8%	-6.7%	66.6%	12.3%	13.7%
	Change YOY	6,677	918	(3,224)	2,402	79,543	212,297

Source: International Travel Survey, Statistics Canada.

Overnight Arrivals by Province of Entry, Year to Date

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2016	151,015	58,605	726,526	3,990,574	130,783	**14,014,821**
	Variance YOY%	10.1%	27.6%	9.1%	11.5%	6.0%	**10.5%**
	Change YOY	13,869	12,694	60,325	411,789	7,393	**1,329,743**
US Residents by Automobile	2016	97,166	36,964	122,682	1,390,554	61,928	**5,749,376**
	Variance YOY%	-12.5%	6.8%	12.0%	9.4%	15.0%	**7.3%**
	Change YOY	(13,913)	2,366	13,153	119,725	8,066	**389,758**
US Residents by Non-Automobile	2016	47,316	19,546	368,460	1,236,702	51,277	**4,068,713**
	Variance YOY%	-1.5%	0.9%	7.6%	11.7%	-4.3%	**12.6%**
	Change YOY	(703)	182	26,094	129,137	(2,293)	**456,297**
Residents from Other Countries	2016	6,533	2,095	235,384	1,363,318	17,578	**4,196,732**
	Variance YOY%	1.2%	-25.0%	9.8%	13.6%	10.6%	**13.0%**
	Change YOY	79	(700)	21,078	162,927	1,691	**483,688**

- The provinces recording the largest increases in total international arrivals in the first eight months of the year were Ontario (+653,438, +11.0%), British Columbia (+411,789, +11.5%), and Quebec (+185,957, +10.2%). Saskatchewan (+12,694, +27.6%) and New Brunswick (+38,823, +21.2%) also registered relatively large increases.
- Ontario, BC and Quebec continue to see strong growth throughout 2016 in total US arrivals by auto and non-auto modes, as well as growth in overseas arrivals.
- Yukon (+15.0%) and Alberta (+12.0%) recorded the strongest growth in US auto arrivals, while Nova Scotia (-27.8%) and Manitoba (-12.5%) have seen declines in this area since the start of the year.
- Newfoundland and Labrador (-41.2%), Prince Edward Island (-13.9%), Yukon (-4.3%), and Manitoba (-1.5%) saw declines in US non-automobile arrivals, while Saskatchewan (-25.0%) and Nova Scotia (-6.7%) are the only provinces to record declines in non-US visitors YTD in 2016.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	August 2016	YOY % Variance	Jan.- Aug. 2016	YOY % Variance
United States	2,343,706	-5.4	13,429,242	-10.2
Other Countries	1,080,332	-1.8	8,509,460	3.1
Total Trips from Canada	3,424,038	-4.3	21,938,702	-5.4

Note: The figures are preliminary estimates and are subject to change.
Source: Statistics Canada, International Travel Survey.

- Canadian outbound travel declined in August 2016, down 4.3% relative to the same month in 2015, marking the 20th month of this downward trend. This trend continues to be driven by a significant drop in overnight trips to the US (-5.4%), though Canadian overseas travel also fell slightly (-1.8%) this month.
- Year-to-date in 2016 Canadian outbound travel is down overall (-5.4%), again mainly due to reduced US travel (-10.2). However, Canadians have been visiting overseas destinations more often this year (+3.1%).
- Following a peak in July, the consumer index (published by the Conference Board of Canada) fell by 3.1 points to 101.5 in August 2016. This was the second decrease in the Canadian consumer confidence index in three months.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	August 2016	YOY^ Variance	Jan.-August	YOY^ Variance	August 2016	YOY % Variance	Jan.-August	YOY % Variance	August 2016	YOY % Variance	Jan.-August	YOY % Variance
Alberta[1]	60.0%	-4.6	53.5%	-7.8	$128.30	-6.1%	$132.57	-6.8%	$76.97	-12.7%	$70.99	-18.7%
British Columbia	84.8%	0.0	70.2%	1.8	$191.71	4.6%	$166.08	6.6%	$162.54	4.6%	$116.61	9.5%
Saskatchewan	56.6%	-4.8	54.8%	-5.0	$119.56	-5.9%	$125.75	-4.5%	$67.71	-13.3%	$68.96	-12.5%
Manitoba	65.7%	-1.9	63.0%	-0.3	$118.75	3.3%	$120.58	0.8%	$78.04	0.3%	$75.94	0.3%
Ontario	79.3%	1.3	67.5%	2.5	$153.89	3.8%	$144.67	4.9%	$122.09	5.5%	$97.72	8.9%
Quebec	85.7%	1.7	68.2%	1.0	$173.06	7.5%	$158.23	4.6%	$148.25	9.6%	$107.95	6.3%
New Brunswick	83.3%	4.5	58.3%	2.6	$127.13	3.3%	$116.80	0.9%	$105.93	9.2%	$68.04	5.6%
Nova Scotia	87.2%	3.7	65.2%	3.8	$142.18	4.4%	$130.81	3.6%	$124.01	9.0%	$85.23	10.0%
Newfoundland	80.5%	-4.1	62.7%	-3.1	$156.65	-4.3%	$147.56	-0.5%	$126.17	-8.9%	$92.54	-5.2%
Prince Edward Island	92.1%	4.0	58.4%	4.3	$169.91	8.6%	$139.44	5.2%	$156.57	13.5%	$81.40	13.6%
Northwest Territories	67.6%	-2.1	67.8%	2.6	$148.25	-3.8%	$151.03	-2.6%	$100.22	-6.6%	$102.34	1.3%
Yukon	89.9%	-0.5	70.6%	1.6	$134.59	3.8%	$124.97	3.2%	$121.03	3.2%	$88.27	5.6%
Canada	**77.0%**	**-0.4**	**64.6%**	**-0.1**	**$162.13**	**3.3%**	**$148.94**	**3.2%**	**$124.79**	**2.9%**	**$96.20**	**3.1%**

Note: Based on the operating results of 223,202 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.

Source: CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.
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- The National Occupancy Rate in August 2016 (77.0%) was marginally lower (-0.4 points) relative to August 2015, and, year-to-date, nearly on par with 2015 (64.6%, -0.1 points).
- Prince Edward Island stood out in August 2016, with strong growth in occupancy rate (+4.0, +4.3 YTD), average daily rate (+8.6%, +5.2% YTD), and RevPar (+13.5%, +13.6% YTD) both over August 2015 and year-to-date. PEI also recorded the highest occupancy rate (92.1%) compared to other provinces this month, though it is still lags behind BC and Quebec in average daily rate and BC in RevPar.
- Alberta, Saskatchewan, and Newfoundland continued a downward slide across all performance indicators both in August and throughout the first eight months of the year.
- Among cities, Montreal (RevPar +11.4%), the GTA (+9.4%), and Ottawa (+9.4%) observed relatively strong growth in August 2016. Meanwhile Whistler, which saw sharp growth in July, slipped this month compared to August 2015 (-1.0%).

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	August 2016	YOY^ Change	Jan.- August	YOY^ Variance	August 2016	YOY Variance	Jan.- August	YOY Variance
Property Size								
Under 50 rooms	68.8%	0.4	50.9%	0.7	$123.69	4.0%	$111.83	4.4%
50-75 rooms	72.6%	-2.1	60.4%	1.5	$127.37	2.3%	$112.14	3.7%
76-125 rooms	74.9%	-1.0	66.1%	2.3	$139.99	1.3%	$123.69	3.1%
126-200 rooms	78.5%	0.2	67.8%	2.2	$146.54	3.1%	$130.11	4.3%
201-500 rooms	77.4%	-0.1	70.4%	2.0	$186.77	4.6%	$171.19	6.0%
Over 500 rooms	87.8%	2.0	74.3%	3.2	$246.62	5.8%	$193.13	6.9%
Total	77.0%	-0.4	67.7%	2.1	$162.13	3.3%	$147.90	4.8%
Property Type								
Limited Service	72.0%	-1.5	62.5%	1.8	$123.34	1.2%	$110.41	2.9%
Full Service	78.4%	0.2	70.0%	2.3	$171.64	4.5%	$162.46	6.2%
Suite Hotel	86.2%	1.8	75.3%	2.9	$169.82	-0.6%	$151.23	2.4%
Resort	85.6%	1.3	59.0%	1.8	$273.50	7.5%	$204.23	5.7%
Total	77.0%	-0.4	67.7%	2.1	$162.13	3.3%	$147.90	4.8%
Price Level								
Budget	71.9%	-0.3	59.5%	2.6	$107.67	5.9%	$93.14	5.6%
Mid-Price	77.5%	-0.9	70.5%	1.6	$154.89	2.3%	$146.80	3.9%
Upscale	82.9%	1.9	71.8%	3.1	$270.70	5.7%	$232.70	8.1%
Total	77.0%	-0.4	67.7%	2.1	$162.13	3.3%	$147.90	4.8%

Note: Based on the operating results of 223,202 rooms (unweighted data).
^ Percentage points.

- Consistent with observations throughout 2016, the largest properties (500+ rooms) continue to perform best in terms of occupancy and average daily rates, with highest occupancy (74.3.%, +3.2 points YTD) and average daily rates ($193.13, +6.9% YTD).

- Upscale and budget properties continue to outpace mid-price properties in terms of growth in occupancy and average daily rates year-to-date in 2016, though budget properties still lag behind overall.

- In August 2016, suite hotels (+2.9%) and full service properties (+2.3%) led in YTD occupancy rate growth, while full service hotels (+6.2%) and resorts (+5.7%) noted the strongest growth in average daily rates. In particular, resorts in Western Canada stood out with YTD growth of 9.4% in average daily rates.

DC CONSUMER AND MARKET INTELLIGENCE