DESTINATION CANADA

Tourism Snapshot

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

September 2016
Volume 12, Issue 9

Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- September 2016 matched September 2000 for the highest number of September international arrivals and set a new record peak for overseas September visits.
- Increases in scheduled air capacity in September 2016 once again facilitated appreciable year-over-year gains in overnight arrivals from Destination Canada's ten overseas markets (+15.8%), led by South Korea (+64.8%), Mexico (+25.1%), China (+23.3%), and United Kingdom (+21.0%).
- September overnight arrivals from the United States grew 11.5% over September 2015, driven by increases across all three main categories of entry modes of transportation, with air arrivals (+22.3%) leading, followed by automobile (+7.7%) and other of modes of transportation (+4.9%), including trains, cruises and buses.
- From January to September 2016, Canada welcomed 16.1 million overnight visitors, including 14.3 million from Destination Canada's 11 international markets (+10.7%), thanks to increased arrivals from all key markets except Brazil (- 2.3%), as several of these markets posted exceptional performances over the first three quarters of 2016, most notably South Korea (+32.8%), China (+23.7%), Mexico (+18.6%), the United Kingdom (+15.7%) and Australia (+13.6%).
- Year-to-date arrivals from the United States increased by 9.7%, representing almost 1 million additional overnight visitors relative to the first three quarters of 2015. Over half of these additional visitors entered Canada by air as air arrivals (+17.6%), outperforming both auto arrivals (+7.3%) and other modes of transportation (+1.4%).

Industry Performance Dashboard

	September 2016	YTD
Overnight Arrivals[1]		
Total International	↑ 12.6%	↑ 10.8%
11 DC Markets**	↑ 12.6%	↑ 10.7%
United States	↑ 11.5%	↑ 9.7%
10 Overseas Markets	↑ 15.8%	↑ 14.6%
Non-DC Markets	↑ 12.5%	↑ 11.1%
Air Seat Capacity[2]		
Total International	↑ 10.7%	↑ 6.7%
11 DC Markets**	↑ 9.5%	↑ 5.9%
Non-DC Markets	↑ 14.1%	↑ 8.7%
National Hotel Indicators[3]		
Occupancy Rate*	↑ 0.7	0.0
Revenue Per Available Room (Revpar)	↑ 5.6%	↑ 3.5%
Average Daily Rate (ADR)	↑ 6.5%	↑ 3.5%

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
ASIA-PACIFIC
LATIN AMERICA

MARKET MONITOR SUMMARY

	Market	Overnight Arrivals[i]		Arrival YOY Variations (%)		Air Seat capacity[ii]		Local currency vs. CAD[iii]	
		Sept. 2016	YTD 2016	Sept. 2016	YTD 2016	Sept. 2016	YTD 2016	Sept. 2016 Average	YTD Average
United States	United States	1,414,075	11,232,164	11.5%	9.7%	4.3%	3.0%	-1.2%	5.0%
DC Europe	France	62,901	437,795	-2.1%	6.9%	4.5%	5.4%	-1.3%	5.1%
	Germany	55,766	303,787	8.9%	10.5%	8.9%	3.2%	-1.3%	5.1%
	United Kingdom	109,267	683,239	21.0%	15.7%	22.1%	12.4%	-15.4%	-4.5%
DC Asia-Pacific	Australia	43,064	264,638	16.8%	13.6%	97.5%	33.4%	6.3%	2.1%
	China	74,875	503,597	23.3%	23.7%	37.6%	26.1%	-5.7%	-0.2%
	India	21,182	175,020	18.8%	11.2%	57.4%	61.6%	-2.0%	-0.6%
	Japan	41,194	234,600	2.1%	9.4%	17.5%	10.0%	16.6%	17.1%
	South Korea	32,429	197,677	64.8%	32.8%	69.3%	36.5%	5.6%	1.6%
DC Latin America	Brazil	12,023	89,446	10.2%	-2.3%	-21.3%	-10.8%	18.5%	-7.1%
	Mexico	20,484	189,994	25.1%	18.6%	41.6%	41.3%	-13.5%	-10.6%
Total 11 DC Markets		**1,887,260**	**14,311,957**	**12.6%**	**10.7%**				
Rest of the World		**240,744**	**1,830,868**	**12.5%**	**11.1%**				
Total International		**2,128,004**	**16,142,825**	**12.6%**	**10.8%**				

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:

+11.5% ↑ YOY

YTD:

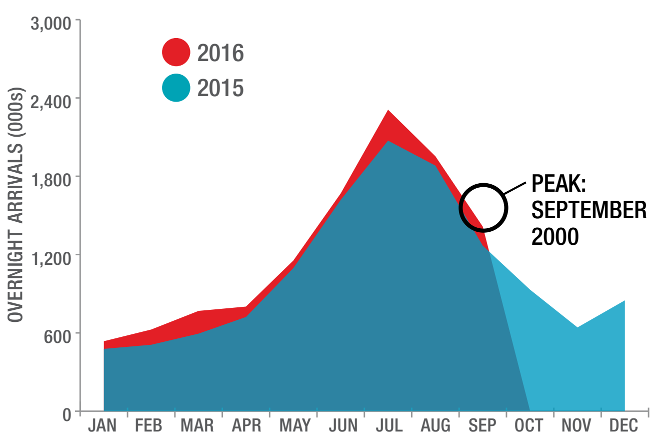
+9.7% ↑ YOY

Overnight Arrivals

	September 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	757,425	7.7	6,506,801	7.3
Air	452,403	22.3	3,551,652	17.6
Other	204,247	4.9	1,173,711	1.4
US Total	**1,414,075**	**11.5**	**11,232,164**	**9.7**

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]	September 2016	4.3%
	YTD	3.0%
Exchange Rate[ii]	September 2016	-1.2%
	YTD	5.0%
Consumer Confidence Index (1985=100)[iii]	September 2016	103.5
	Previous Month	101.8
YTD Arrival Peak[iv]	Peak Year	2002
	Current % of Previous Peak	84.0%

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

- About 1.4 million overnight visitors to Canada arrived from the US in September 2016, up 11.5% over September 2015, bringing total US arrivals in the first three quarters of 2016 up to 11.2 million (+9.7% over the same period of 2015). This was the best September for US arrivals since 2005, and the best January-September performance since 2006.

- September's positive growth was driven mainly by a notable increase in air arrivals (+22.3%), aided by a slight increase in air capacity (+4.3%). However, US arrivals by automobile and other modes of transport also saw steady gains over September 2015 (+7.7% and +4.9%, respectively).

- Despite a slight downturn in September 2016 (-1.2%), the US dollar maintained its overall strength over 2015 (+5.0% YTD). Following a period of consistent decline in Canadian outbound travel to the US (-8.9% year-to-date), September 2016 saw an increase in the number of Canadians visiting the US (+2.8%) compared to September 2015.

- The consumer confidence index published by the US Conference Board reached 103.5 points in September, up 1.7 points over August, continuing the positive trend observed last month and indicating continued improvement in US consumer optimism.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+10.8% ↑ YOY

YTD:

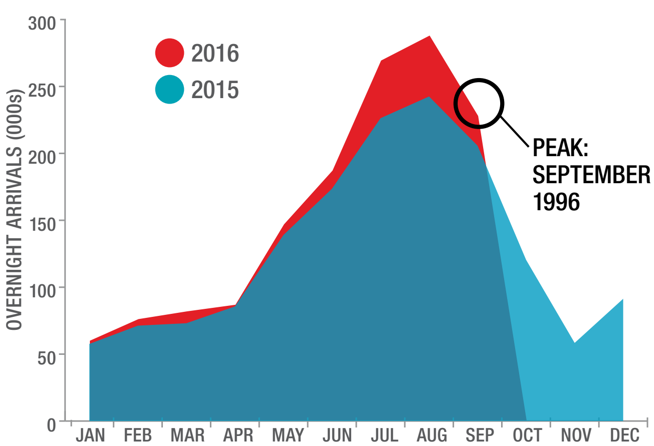
+11.8% ↑ YOY

Overnight Arrivals

	September 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**227,934**	**10.8**	**1,424,821**	**11.8**
United Kingdom	109,267	21.0	683,239	15.7
France	62,901	-2.1	437,795	6.9
Germany	55,766	8.9	303,787	10.5
Other Europe	**118,730**	**78.6**	**862,338**	**72.5**
Italy	12,971	12.2	105,636	11.2
Netherlands	15,720	16.2	114,646	14.7
Spain	9,751	26.4	71,131	23.0
Switzerland	14,192	4.8	109,227	11.1
Rest of Europe	66,096	18.9	461,698	12.6
Total Europe	**346,664**	**12.7**	**2,287,159**	**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]	September 2016	4.5%	8.9%	22.1%
	YTD	5.4%	3.2%	12.4%
Exchange Rate[ii]	September 2016	-1.3%	-1.3%	-15.4%
	YTD	5.1%	5.1%	-4.5%
YTD Arrival Peak[iii]	Peak Year	2015	1996	2005
	Current % of Previous Peak	106.9%	76.6%	91.5%

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

EUROPE

- Canada welcomed a total of 227,934 visitors from Destination Canada's European markets in September 2016 (+10.8%), contributing to a new YTD record of 1.4 million arrivals from the European markets through the first three quarters of 2016 (+11.8% over 2015).
- This growth was led by the UK (+21.0% over September 2015, +15.7% YTD growth), supported by increased air capacity (+22.1%, +12.4% YTD). The GBP continued to depreciate in September (-15.4% over the previous September) but apparently did not slow British travel to Canada.
- Germany also saw strong growth in September, with arrivals up 8.9% (+10.5% YTD). This jump mirrored increases in air capacity from Germany to Canada (+8.9%, +3.2 YTD).
- France was the only one of Destination Canada's European markets to note a decline in arrivals in September (-2.1% compared to September 2015). However, this setback did not impede record YTD performance, with arrivals from France over the first three quarters up 6.9%, a new record peak.
- Continuing the trend observed throughout 2016, the Euro was marginally weaker in September 2016 compared to the same month a year ago (-1.3%), but continued to show strong overall year-over-year growth (+5.1%).

DC Europe Arrivals by Port of Entry

- Approximately 7-in-10 arrivals from each of Destination Canada's European markets were direct air arrivals from overseas. Air arrivals via the US were more common from France (26%) than from the UK (16%) and Germany (15%).
- Year-to-date YUL has received the most visitors from France (49%), while YYZ received the largest share of arrivals from the UK (34%) and Germany (27%).

January to September 2016			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	48,538	80,695	231,358
		YOY%	1.0%	22.5%	18.9%
		% of Total	**11.1%**	**26.6%**	**33.9%**
	YVR	Arrivals	16,074	51,186	115,784
		YOY%	20.4%	7.1%	25.9%
		% of Total	**3.7%**	**16.8%**	**16.9%**
	YUL	Arrivals	215,301	32,895	42,653
		YOY%	14.4%	27.9%	14.4%
		% of Total	**49.2%**	**10.8%**	**6.2%**
	YYC	Arrivals	4,734	23,807	60,798
		YOY%	16.9%	14.9%	9.0%
		% of Total	**1.1%**	**7.8%**	**8.9%**
	All other airports	Arrivals	9,796	18,823	40,192
		YOY%	3.9%	11.8%	8.9%
		% of Total	**2.2%**	**6.2%**	**5.9%**
	Subtotal	Arrivals	294,443	207,406	490,785
		YOY%	11.9%	16.7%	19.8%
		% of Total	**67.3%**	**68.3%**	**71.8%**
Air Arrivals via the US	All airports	Arrivals	111,512	44,760	105,715
		YOY%	2.1%	-2.9%	10.5%
		% of Total	**25.5%**	**14.7%**	**15.5%**
Sea Arrivals	All sea borders	Arrivals	2,788	15,515	39,857
		YOY%	43.2%	-3.6%	-33.8%
		% of Total	**0.6%**	**5.1%**	**5.8%**
Land Arrivals via US	All land borders	Arrivals	29,005	35,885	46,786
		YOY%	-17.2%	3.0%	2.2%
		% of Total	**6.6%**	**11.8%**	**6.8%**
Total Overnight Arrivals			**437,795**	**303,787**	**683,239**

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:

+21.3% ↑ YOY

YTD:

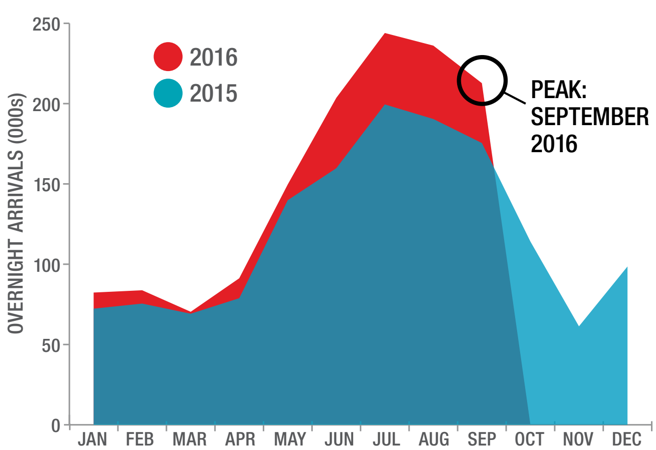
+18.5% ↑ YOY

Overnight Arrivals

	September 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**212,744**	**21.3**	**1,375,532**	**18.5**
Australia	43,064	16.8	264,638	13.6
China	74,875	23.3	503,597	23.7
India	21,182	18.8	175,020	11.2
Japan	41,194	2.1	234,600	9.4
South Korea	32,429	64.8	197,677	32.8
Other Asia-Pacific	**76,970**	**52.9**	**591,350**	**40.5**
Hong Kong	14,589	5.1	124,568	2.2
Taiwan	13,715	40.8	76,174	28.8
Rest of Asia-Pacific	48,666	6.9	390,608	9.6
Total Asia-Pacific	**289,714**	**18.4**	**1,966,882**	**15.8**

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]	September 2016	97.5%	37.6%	57.4%	17.5%	69.3%
	YTD	33.4%	26.1%	61.6%	10.0%	36.5%
Exchange Rate[ii]	September 2016	6.3%	-5.7%	-2.0%	16.6%	5.6%
	YTD	2.1%	-0.2%	-0.6%	17.1%	1.6%
YTD Arrival Peak[iii]	Peak Year	2015	2015	2015	1996	2007
	Current % of Previous Peak	113.6%	123.7%	111.2%	44.3%	122.3%

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 continued to break arrivals records in September 2016, observing the strongest overall growth in arrivals of all Destination Canada's market regions (+21.3%, +18.5% YTD) and reaching new record peaks for September and year-to-date arrivals. All individual markets with the exception of Japan also reached new peaks in arrivals for the month and the first three quarters of the year.
- With 64.8% (+32.8% YTD) growth in September, South Korea continued to be the stand-out performer in this region, supported by significantly expanded air capacity (+69.3%, +36.5% YTD).
- Arrivals from China saw typical strong performance, growing 23.3% over September 2015 and 23.7% YTD, in line with expanded air capacity over the same period (+37.6%, +26.1% YTD).
- September arrivals from Australia (+16.8%) and India (+18.8%) saw strong growth, setting new September peaks amid significant air capacity increases noted in both markets (+97.5% and +57.4%, respectively).
- Despite significantly expanded air capacity (+17.5%, +10.0% YTD) and an appreciating Yen (+16.6%, +17.1% YTD), arrivals from Japan grew at a slower pace (+2.1%, +9.4%) than the rest of the Destination Canada markets in the region in September.

DC Asia-Pacific Arrivals by Port of Entry

- Year-to-date in 2016, the majority of arrivals from China (73%), Japan (67%), India (63%), and South Korea (53%) were direct air arrivals from overseas. However, arrivals from Australia were more evenly split between direct air arrivals (32%) and air arrivals via the US (40%).
- In the midst of the cruise season in British Columbia and to a lesser extend in Atlantic Canada, Australia saw the highest proportion of arrivals by sea (15%), while the highest proportion of arrivals by land via the US came from South Korea (30%).
- Air arrivals from China continued to grow at an accelerated pace at YUL (+659%) and YYC (+464 %), though the majority of Chinese arrivals still came through YYZ and YVR.

January to September 2016			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	12,504	151,788	71,586	53,192	38,440
		YOY%	10.7%	24.3%	13.3%	9.2%	82.3%
		% of Total	**4.7%**	**30.1%**	**40.9%**	**22.7%**	**19.4%**
	YVR	Arrivals	69,231	192,644	20,785	85,655	64,278
		YOY%	27.0%	25.9%	27.2%	9.0%	30.2%
		% of Total	**26.2%**	**38.3%**	**11.9%**	**36.5%**	**32.5%**
	YUL	Arrivals	1,973	14,862	7,511	1,323	522
		YOY%	29.3%	659.0%	2.0%	93.7%	35.2%
		% of Total	**0.7%**	**3.0%**	**4.3%**	**0.6%**	**0.3%**
	YYC	Arrivals	1,213	5,006	6,907	16,617	2,057
		YOY%	38.9%	464.4%	17.3%	18.5%	6.9%
		% of Total	**0.5%**	**1.0%**	**3.9%**	**7.1%**	**1.0%**
	All other airports	Arrivals	817	848	2,696	192	165
		YOY%	1.2%	0.3%	2.9%	0.1%	0.2%
		% of Total	**0.3%**	**0.2%**	**1.5%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	85,738	365,148	109,485	156,979	105,462
		YOY%	24.1%	31.0%	13.8%	10.3%	44.6%
		% of Total	**32.4%**	**72.5%**	**62.6%**	**66.9%**	**53.4%**
Air Arrivals via the US	All airports	Arrivals	104,880	77,750	26,291	52,614	28,744
		YOY%	7.1%	10.0%	8.3%	1.3%	9.6%
		% of Total	**39.6%**	**15.4%**	**15.0%**	**22.4%**	**14.5%**
Sea Arrivals	All sea borders	Arrivals	38,929	15,146	9,102	4,377	4,358
		YOY%	18.9%	13.4%	12.1%	20.0%	7.6%
		% of Total	**14.7%**	**3.0%**	**5.2%**	**1.9%**	**2.2%**
Land Arrivals via US	All land borders	Arrivals	35,004	45,241	30,119	19,903	58,601
		YOY%	5.4%	2.3%	4.4%	19.8%	28.3%
		% of Total	**13.2%**	**9.0%**	**17.2%**	**8.5%**	**29.6%**
Total Overnight Arrivals			**264,638**	**503,597**	**175,020**	**234,600**	**197,677**

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:

+19.1% ↑ YOY

YTD:

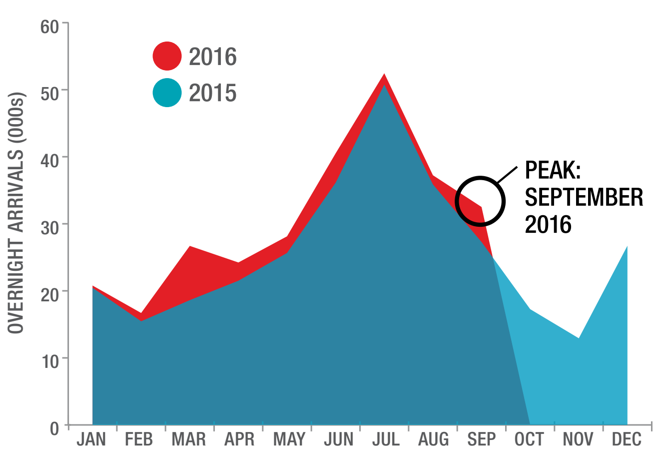
+11.0% ↑ YOY

Overnight Arrivals

	September 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**32,507**	**19.1**	**279,440**	**11.0**
Brazil	12,023	10.2	89,446	-2.3
Mexico	20,484	25.1	189,994	18.6
Other Latin America	30,785	5.1	136,311	5.2
Total Latin America	**63,292**	**11.9**	**415,751**	**9.0**

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]	September 2016	-21.3%	41.6%
	YTD	-10.8%	41.3%
Exchange Rate[ii]	September 2016	18.5%	-13.5%
	YTD	-7.1%	-10.6%
YTD Arrival Peak[iii]	Peak Year	2015	2008
	Current % of Previous Peak	97.7%	85.4%

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

- Canada welcomed 32,507 visitors from Destination Canada's two Latin America markets in September 2016, an increase of 19.1% over September 2015 (+11.0% YTD) and a new peak for September and for January-September YTD.

- This trend was primarily driven by continued increased growth from Mexico (+25.1%, +18.6% YTD) ahead of the upcoming visa lift in December, sustained by significantly increased air capacity (+41.6%, +41.3% YTD) and apparently not hindered by a weaker Mexican peso (-10.6% YTD)

- Following several months of declining arrivals over the summer, in part due to the Rio Olympics, arrivals from Brazil picked up again in September (+10.2% over September 2015), though YTD arrivals were still below 2015 (-2.3%). This improvement was observed despite continuously declining air capacity (-21.3% in September, -10.8% YTD), and a weaker Real (-7.1% YTD), though the Real showed signs of improvement in September (+18.5% over September 2015).

DC Latin America Arrivals by Port of Entry

- Direct air arrivals made up the largest proportion of arrivals from both Mexico (56%) and Brazil (50%) in the first three quarters of 2016. Most other arrivals from Brazil came by air via the US (44%), while nearly equal proportions of Mexican arrivals came via the US by air (19%) and by land (20%).

- The highest growth in arrivals from both Brazil and Mexico was seen at Vancouver International Airport (YVR) in September (+120% and +86%, respectively), but YYZ still receives the most direct air arrival visitors from both countries.

January to September 2016			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	41,693	48,779
		YOY%	-0.7%	19.7%
		% of Total	**46.6%**	**25.7%**
	YVR	Arrivals	1,133	33,903
		YOY%	119.6%	85.7%
		% of Total	**1.3%**	**17.8%**
	YUL	Arrivals	1,519	19,499
		YOY%	38.8%	7.7%
		% of Total	**1.7%**	**10.3%**
	YYC	Arrivals	112	2,710
		YOY%	-1.8%	11.1%
		% of Total	**0.1%**	**1.4%**
	All other airports	Arrivals	152	1,454
		YOY%	0.3%	1.8%
		% of Total	**0.2%**	**0.8%**
	Subtotal	Arrivals	44,609	106,345
		YOY%	1.7%	30.7%
		% of Total	**49.9%**	**56.0%**
Air Arrivals via the US	All airports	Arrivals	38,956	35,969
		YOY%	-3.5%	1.4%
		% of Total	**43.6%**	**18.9%**
Sea Arrivals	All sea borders	Arrivals	2,338	9,425
		YOY%	-30.4%	-77.4%
		% of Total	**2.6%**	**5.0%**
Land Arrivals via US	All land borders	Arrivals	3,452	38,180
		YOY%	-91.4%	7.7%
		% of Total	**3.9%**	**20.1%**
Total Overnight Arrivals			**89,446**	**189,994**

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

COMPETITIVE REVIEW

January to September 2016		Trips To:			
		Canada		Australia	
Trips From:			% YOY Variance		% YOY Variance
Total International		**16,142,825**	**10.8%**	**5,876,300**	**11.9%**
United States		11,232,164	9.7%	498,600	18.9%
Canada		…	…	104,100	4.6%
Europe	**United Kingdom**	683,239	15.7%	473,000	4.1%
	France	437,795	6.9%	85,700	2.1%
	Germany	303,787	10.5%	135,900	5.4%
Asia-Pacific	**Australia**	264,638	13.6%	…	…
	Japan	234,600	9.4%	298,500	24.6%
	South Korea	197,677	32.8%	205,100	29.6%
	China	503,597	23.7%	917,900	19.3%
	India	175,020	11.2%	186,400	9.1%
Latin America	**Mexico**	189,994	18.6%	6,200	0.0%
	Brazil	89,446	-2.3%	31,900	-2.1%
Total DC Key Markets		**14,311,957**	**10.7%**	**2,943,300**	**14.8%**

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

- Despite slightly slower year-over-year growth (+10.8% in Canada vs. 11.9% in Australia), Canada welcomed close to 3 times more international visitors than Australia in the first three quarters of 2016 (16.1 million vs. 5.9 million, respectively).
- The same trend was observed in Destination Canada's key markets, with Australia (+14.8%) noting stronger growth than Canada (+10.7%) but fewer total visitors (2.9 million vs.14.3 million). Visitors from Destination Canada's markets also accounted for a larger proportion of Canada's international arrivals (89%) than Australia's (50%).
- Canada also welcomed more Australian visitors and saw stronger year-over-year growth (264,638, +13.6%) from January-September than Australia did Canadian visitors (104,100, +4.6%).
- Canada saw over 22 times more visitors from the US than Australia in the first three quarters of 2016 (11.2 million vs. 498,600, respectively), but US visitors to Australia grew at a rate nearly twice as fast as to Canada (+18.9% vs. +9.7%) over the same period of 2015.
- Similarly, while Canada saw slightly stronger growth in Chinese arrivals than Australia (+23.7% vs. +19.3%) so far this year, Australia welcomed close to double the number of total visitors.
- Thanks to continued growth in South Korean visitors to Canada in September 2016, Canada (+32.8%) has now outpaced Australia (+29.6%) in year-to-date arrivals growth from South Korea.

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	53,356	2,353	171,611	290,876	2,307,114	7,528,518
	Variance YOY%	10.6%	805.0%	-2.1%	20.4%	10.6%	11.1%
	Change YOY	5,092	2,093	(3,620)	49,285	221,397	751,047
US Residents by Automobile	2016	0	0	11,698	215,722	855,121	3,502,134
	Variance YOY%	0.0%	0.0%	-29.9%	7.9%	9.3%	6.5%
	Change YOY	-	-	(4,982)	15,711	73,029	213,629
US Residents by Non-Automobile	2016	9,567	233	99,998	63,492	602,031	1,978,018
	Variance YOY%	-41.3%	-6.8%	3.0%	34.8%	9.6%	18.2%
	Change YOY	(6,736)	(17)	2,943	16,408	52,611	305,046
Residents from Other Countries	2016	43,789	2,120	59,915	11,662	849,962	2,048,366
	Variance YOY%	21.3%	6324.2%	-2.6%	39.0%	12.7%	12.8%
	Change YOY	7,700	2,087	(1,581)	3,274	95,757	232,372

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	171,399	66,665	835,767	4,564,070	151,096	**16,142,825**
	Variance YOY%	9.1%	21.9%	10.3%	11.9%	7.4%	**10.8%**
	Change YOY	14,327	11,986	78,113	486,076	10,371	**1,567,147**
US Residents by Automobile	2016	110,241	42,634	138,801	1,556,511	73,939	**6,506,801**
	Variance YOY%	-11.0%	6.8%	12.8%	9.2%	16.0%	**7.3%**
	Change YOY	(13,635)	2,698	15,735	131,211	10,221	**443,617**
US Residents by Non-Automobile	2016	53,581	21,749	420,916	1,419,618	56,160	**4,725,363**
	Variance YOY%	-0.9%	-3.5%	8.1%	12.0%	-4.4%	**13.1%**
	Change YOY	(497)	(788)	31,622	152,108	(2,561)	**548,343**
Residents from Other Countries	2016	7,577	2,282	276,050	1,587,941	20,997	**4,910,661**
	Variance YOY%	0.7%	-25.2%	12.5%	14.6%	15.3%	**13.3%**
	Change YOY	53	(770)	30,756	202,757	2,782	**575,187**

- The provinces recording the largest increases in total international arrivals in the first three quarters of the year were Ontario (+751,047, +11.1%), British Columbia (+486,076, +11.9%), and Quebec (+221,397, +10.6%). Saskatchewan (+11,986, +21.9%) and New Brunswick (+49,285, +20.4%) also registered relatively large increases.
- Ontario, BC and Quebec continue to see strong growth throughout 2016 in total US arrivals by all modes of entry, as well as growth in overseas arrivals.
- Yukon (+16.0%) and Alberta (+12.8%) recorded the strongest growth in US auto arrivals, while Nova Scotia (-29.9%) and Manitoba (-11.0%) have seen declines in auto arrivals since the start of the year.
- Newfoundland and Labrador (-41.3%), Prince Edward Island (-6.8%), Yukon (-4.4%), Saskatchewan (-3.5%), and Manitoba (-0.9%) saw declines in US non-automobile arrivals, while Saskatchewan (-25.2%) and Nova Scotia (-2.6%) are the only provinces to record declines in overseas visitors through three quarters of 2016.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	September 2016	YOY % Variance	Jan.- Sept. 2016	YOY % Variance
United States	1,639,762	2.8%	15,069,004	-8.9%
Other Countries	875,623	9.6%	9,385,083	3.7%
Total Trips from Canada	2,515,385	5.0%	24,454,087	-4.5%

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

- Following 20 consecutive months of year-over-year declines, Canadian outbound travel increased slightly in September 2016, up 5.0% relative to the same month in 2015. Overseas travel in September (+9.6%) increased at a faster rate than travel to the US (+2.8%).
- Despite the positive turnaround in September, year-to-date in 2016 Canadian outbound travel was still down overall (-4.5%), due mainly to reduced US travel (-8.9%), as overseas travel maintained positive growth (+3.7%).
- After slipping in August, the Canadian Consumer Confidence Index (published by the Conference Board of Canada) increased slightly by 1.5 points to 103.0 in September 2016, indicating cautious consumer optimism.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Sept. 2016	YOY^ Variance	Jan.-Sept.	YOY^ Variance	Sept. 2016	YOY % Variance	Jan.-Sept.	YOY % Variance	Sept. 2016	YOY % Variance	Jan.-Sept.	YOY % Variance
Alberta[1]	58.2%	-4.3	54.0%	-7.5	$131.68	-6.3%	$132.44	-6.8%	$76.70	-12.8%	$71.47	-18.1%
British Columbia	80.7%	3.4	71.3%	2.0	$172.78	8.0%	$166.87	6.7%	$139.45	12.8%	$118.98	9.8%
Saskatchewan	57.2%	-7.8	55.1%	-5.3	$124.18	-6.9%	$125.56	-4.8%	$71.07	-18.1%	$69.20	-13.1%
Manitoba	66.5%	-0.9	63.4%	-0.4	$122.46	2.3%	$120.79	1.0%	$81.45	0.9%	$76.53	0.4%
Ontario	80.6%	1.9	69.0%	2.4	$163.78	7.8%	$147.12	5.3%	$131.98	10.5%	$101.47	9.2%
Quebec	80.3%	2.7	69.5%	1.2	$172.04	9.6%	$159.93	5.3%	$138.08	13.5%	$111.17	7.1%
New Brunswick	70.0%	3.6	59.5%	2.7	$120.54	0.7%	$117.28	0.9%	$84.37	6.2%	$69.82	5.7%
Nova Scotia	84.3%	3.7	67.3%	3.8	$144.57	4.5%	$132.72	3.8%	$121.91	9.3%	$89.28	9.9%
Newfoundland	76.9%	0.1	64.3%	-2.7	$156.99	2.1%	$148.81	-0.1%	$120.77	2.3%	$95.67	-4.2%
Prince Edward Island	80.7%	2.9	61.0%	4.1	$152.49	8.6%	$141.43	5.7%	$123.09	12.7%	$86.20	13.3%
Northwest Territories	90.6%	9.2	70.4%	3.7	$155.50	-0.1%	$151.69	-2.2%	$140.94	11.1%	$106.80	3.1%
Yukon	82.5%	1.3	71.9%	1.5	$131.81	2.4%	$125.84	3.1%	$108.71	4.1%	$90.52	5.4%
Canada	**75.1%**	**0.7**	**65.7%**	**0.0**	**$160.82**	**5.6%**	**$150.41**	**3.5%**	**$120.76**	**6.5%**	**$98.83**	**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 September 2016 (75.1%) was only marginally down (-0.7 points) relative to September 2015, and on par with 2015 year-to-date (65.7%, no change).

- In September 2016, the Northwest Territories stood out with the highest occupancy rate (90.6%) as well as the strongest year-over-year growth in this area. They also noted the highest RevPar in September ($140.94), and showed strong year-to-date performance in average daily rate ($151.69) and RevPar ($106.80) relative to other provinces and territories. British Columbia and Quebec continued to feature strong numbers for average daily rate and RevPar this month.

- Alberta and Saskatchewan continued to trend downwards across all accommodation performance indicators both in September and year-to-date in 2016, with Manitoba and Newfoundland also showing some negative trends.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	Sept. 2016	YOY^ Change	Jan.- Sept.	YOY^ Variance	Sept. 2016	YOY Variance	Jan.- Sept.	YOY Variance
Property Size								
Under 50 rooms	61.9%	0.6	51.6%	-1.5	$113.97	4.2%	$110.26	2.1%
50-75 rooms	68.3%	-0.4	58.7%	-1.2	$118.76	2.5%	$115.17	1.5%
76-125 rooms	71.8%	-0.1	63.2%	-0.7	$134.05	1.9%	$129.33	0.4%
126-200 rooms	76.6%	0.8	67.0%	0.0	$142.92	4.9%	$136.15	2.5%
201-500 rooms	78.5%	1.1	69.2%	0.8	$190.79	6.9%	$175.19	5.0%
Over 500 rooms	86.8%	3.5	75.5%	2.5	$252.91	12.5%	$218.87	7.9%
Total	75.1%	0.7	65.7%	0.0	$160.82	5.6%	$150.41	3.5%
Property Type								
Limited Service	68.7%	-0.9	59.9%	-1.4	$118.55	1.1%	$115.10	0.2%
Full Service	78.4%	1.2	68.5%	0.5	$176.14	7.7%	$161.02	4.5%
Suite Hotel	84.6%	2.6	75.0%	2.0	$166.22	2.9%	$156.88	2.0%
Resort	73.7%	3.5	65.5%	2.8	$240.41	9.4%	$232.68	8.5%
Total	75.1%	0.7	65.7%	0.0	$160.82	5.6%	$150.41	3.5%
Price Level								
Budget	69.5%	1.8	58.7%	1.2	$102.58	8.1%	$97.48	5.3%
Mid-Price	75.6%	-0.3	66.8%	-0.8	$152.21	4.1%	$143.72	2.0%
Upscale	81.7%	3.5	71.6%	1.8	$275.68	10.8%	$245.27	7.7%
Total	75.1%	0.7	65.7%	0.0	$160.82	5.6%	$150.41	3.5%

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

- Larger properties (500+ rooms) continued to outperform smaller properties in the three quarters of 2016, noting the highest occupancy rates (75.5%, +2.5 points YTD) and average daily rates ($218.87, +7.9% YTD).
- Upscale properties continued to lead in occupancy rates and average daily rates both in September and throughout 2016, while also observing stronger growth in both measures than budget and mid-scale properties.
- Resorts noted the most positive performance in terms of average daily rate both in September ($240.41, +9.4%) and year-to-date ($232.68, +8.5%), as well as the strongest growth in occupancy rates (+3.5 points in September, +2.8 points YTD). However, they lagged behind suite hotels and full service properties in terms of current occupancy rates.