

CBRE

**CBRE HOTELS
ACCOMMODATION
INDUSTRY OUTLOOK
PRESENTATION**

2017

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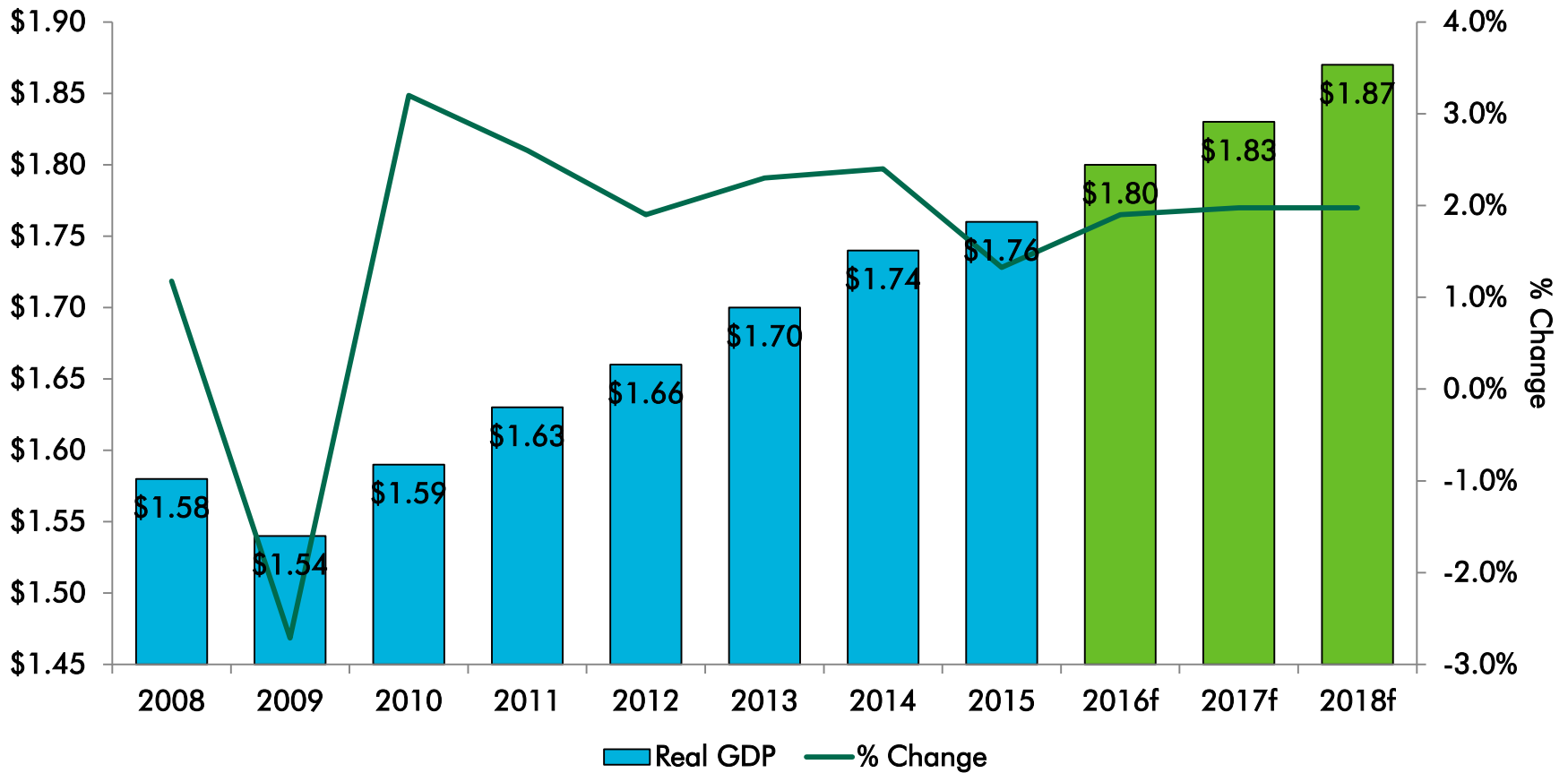
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ECONOMIC AND TRAVEL OUTLOOKS

2017

NATIONAL ECONOMIC OUTLOOK – 2017/18



Source: Statistics Canada, Conference Board of Canada, Canadian Outlook Autumn 2016, Scotiabank Group – Global Forecast Update January 2017; CIBC World Markets – Monthly FX Outlook, 2017; RBC – Economic and Financial Market Outlook – 2017

Source: CBRE Hotels

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NATIONAL TRAVEL OUTLOOK 2016/17

Overnight Travel	2015	2016 Estimate	2017 Forecast
Business travel domestic	0.6%	1.2%	2.4%
Pleasure travel domestic	2.6%	2.3%	3.2%
Total domestic travel	1.9%	2.0%	2.7%
U.S. Travel	7.7%	7.8%	3.9%
Overseas travel	5.5%	8.7%	6.4%
Total Overnight Travel	2.6%	3.0%	3.0%
National accommodation demand growth	0.2%	1.5%*	2.4%

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

*Actual Results

Source: CBRE Hotels

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A nighttime photograph of a city street, likely in Montreal, featuring a large classical building with columns and a street sign for 'Rue Saint-Jacques'. The image is overlaid with a teal color scheme and dynamic light trails from a moving vehicle, creating a sense of motion and modernity.

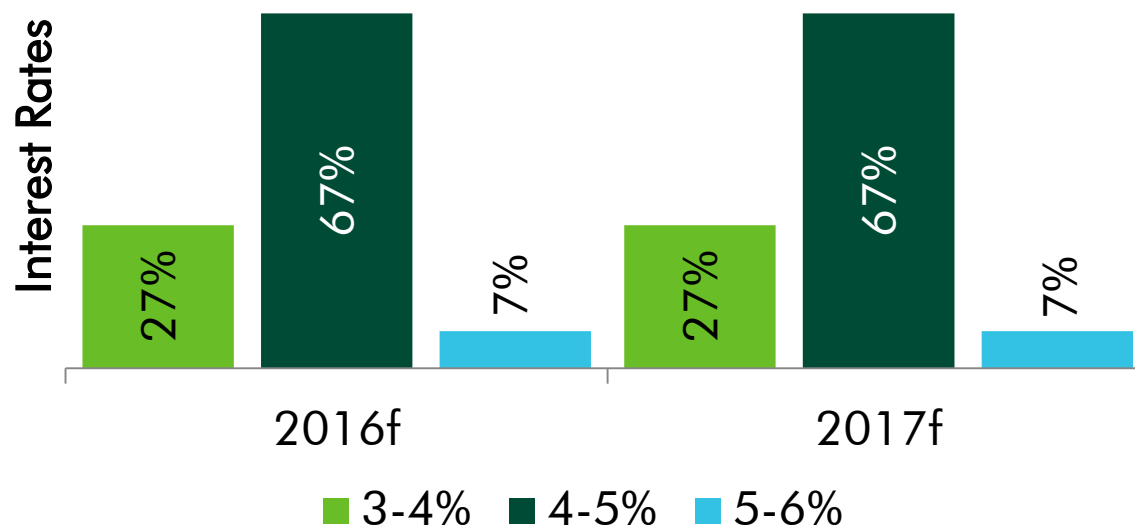
CANADIAN INVESTMENT OUTLOOK

2017

CBRE HOTELS LENDER SURVEY RESULTS

Loan to Value Ratio		
	2016F	2017F
<50%	0%	0%
50%-59%	33%	33%
60%-69%	67%	67%

Amortization Period		
	2016F	2017F
<20 yrs	40%	40%
20-25 yrs	40%	40%
> 25 yrs	20%	20%



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Q4 2016 CAP RATE SURVEY

△ Q/Q	Vancouver	Calgary	Edmonton	Winnipeg	London-Windsor
Hotel					
Downtown Full Service	5.50% - 6.50%	7.75% - 8.75%	7.75% - 8.75%	8.00% - 9.00%	8.25% - 9.00%
Suburban Limited Service	6.50% - 7.50%	9.25% - 10.25%	10.00% - 10.50%	9.50% - 10.50%	8.25% - 9.00%
Focused Service	6.50% - 7.50%	8.25% - 9.25%	9.00% - 10.00%	8.00% - 8.75%	7.75% - 9.00%

△ Q/Q	Kitchener-Waterloo	Toronto	Ottawa	Montreal	Halifax
Hotel					
Downtown Full Service	8.25% - 9.00%	5.50% - 6.50%	7.00% - 8.00%	7.50% - 8.50%	8.75% - 9.75%
Suburban Limited Service	8.25% - 9.00%	7.00% - 8.50%	8.00% - 9.00%	8.50% - 9.50%	9.50% - 10.50%
Focused Service	7.50% - 8.50%	7.00% - 8.00%	7.50% - 8.50%	8.00% - 8.75%	8.25% - 9.50%

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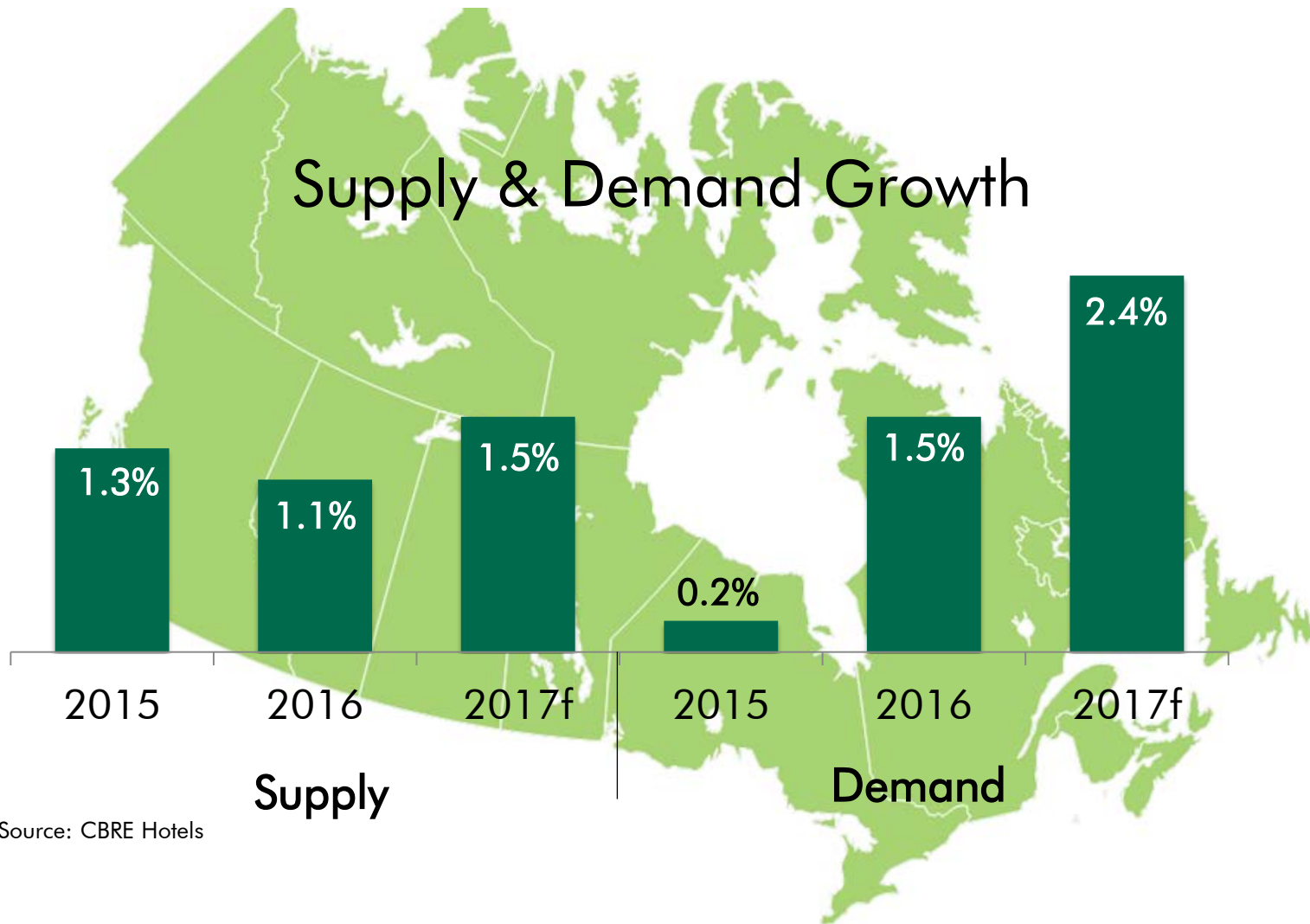
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NATIONAL MARKET & FINANCIAL OUTLOOKS

2017

NATIONAL SUPPLY & DEMAND OUTLOOK



Source: CBRE Hotels

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NATIONAL TOP LINE OUTLOOK

	2014	2015	2016	2017F
Occupancy	64%	64%	64%	64%
ADR	\$137	\$144	\$149	\$154
RevPAR	\$88	\$91	\$95	\$99

Source: CBRE Hotels

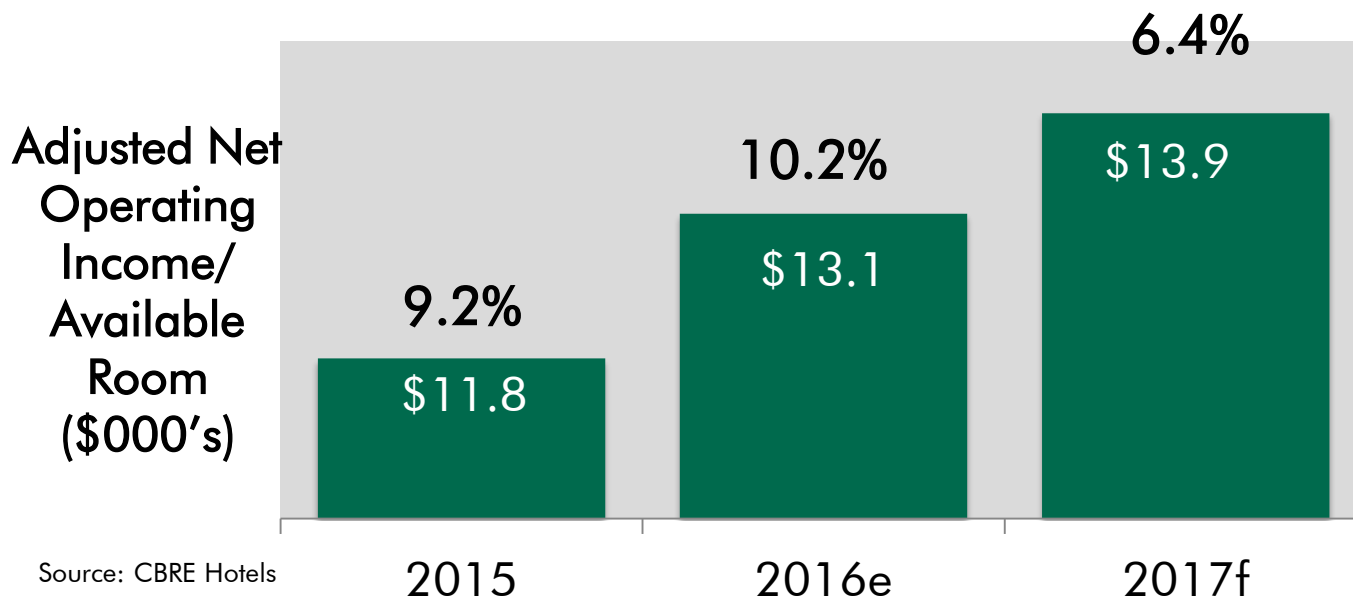
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NATIONAL ADR, REVPAR & BOTTOM LINE OUTLOOK

ADR Growth	
2015 Actual	4.8%
2016 Actual	3.3%
2017 Forecast	3.7%

RevPAR Growth	
2015 Actual	3.6%
2016 Actual	3.6%
2017 Forecast	4.6%

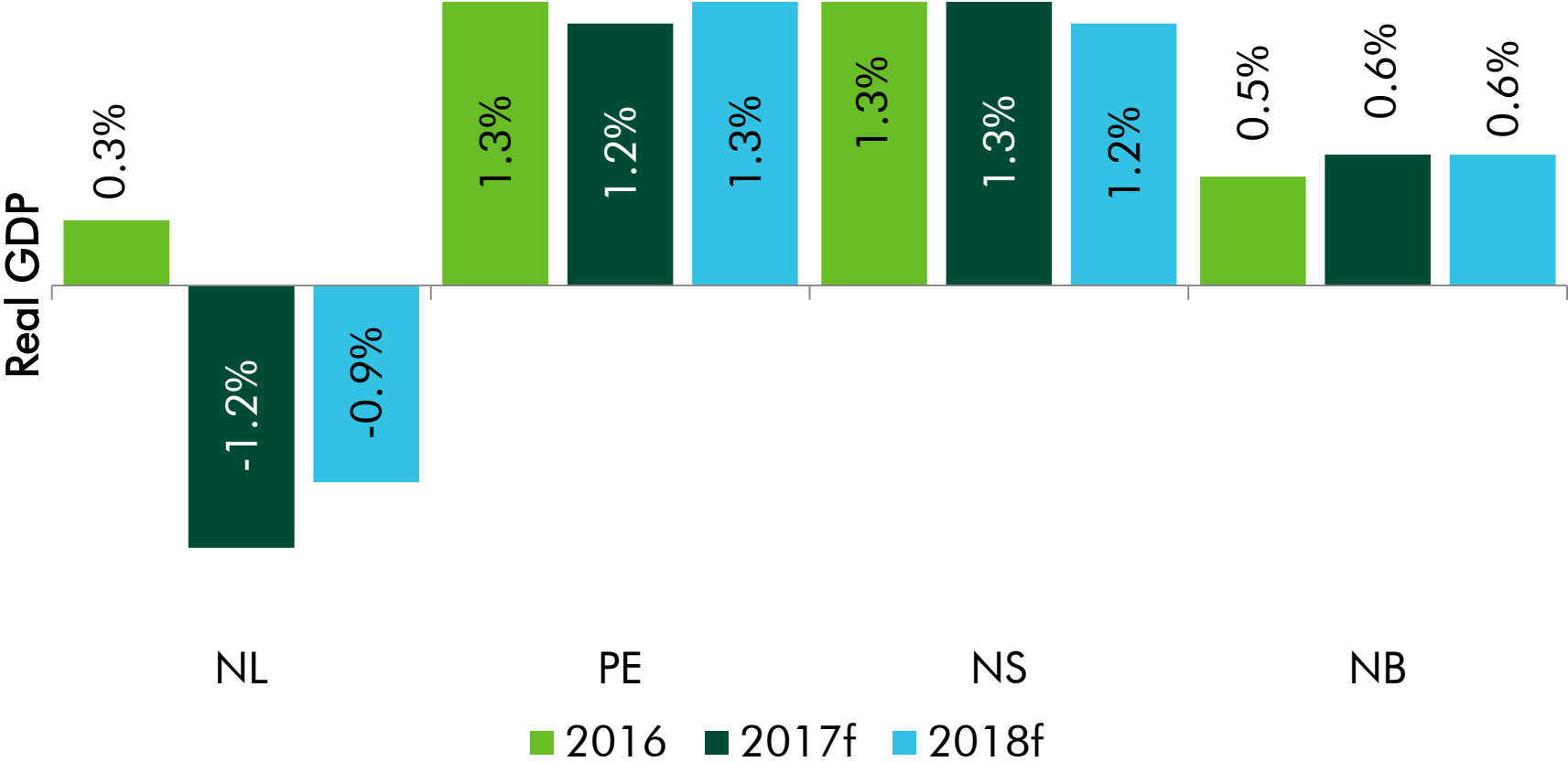


A nighttime photograph of a city street, likely in Montreal, featuring a large classical building with columns and a street sign for 'Rue Saint-Jacques'. The image is overlaid with a semi-transparent teal filter and a curved, glowing light effect. The text 'ATLANTIC CANADA MARKET & FINANCIAL OUTLOOKS' is prominently displayed in white, bold, sans-serif font on the left side.

ATLANTIC CANADA MARKET & FINANCIAL OUTLOOKS

2017

ATLANTIC CANADA – GDP BY PROVINCE

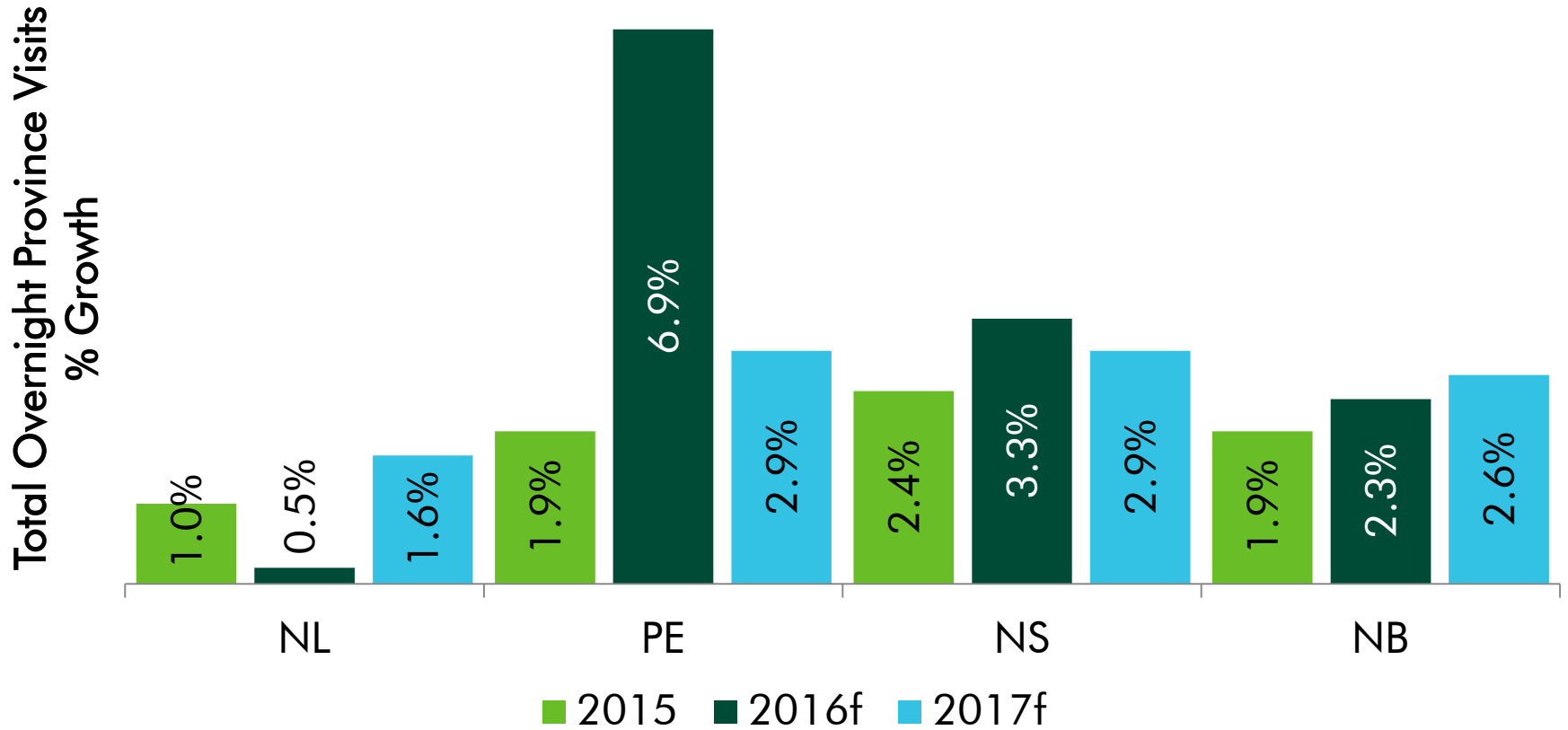


Source: Scotiabank Global Forecast Update, January 17, 2017

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ATLANTIC CANADA – TRAVEL MARKET OUTLOOKS

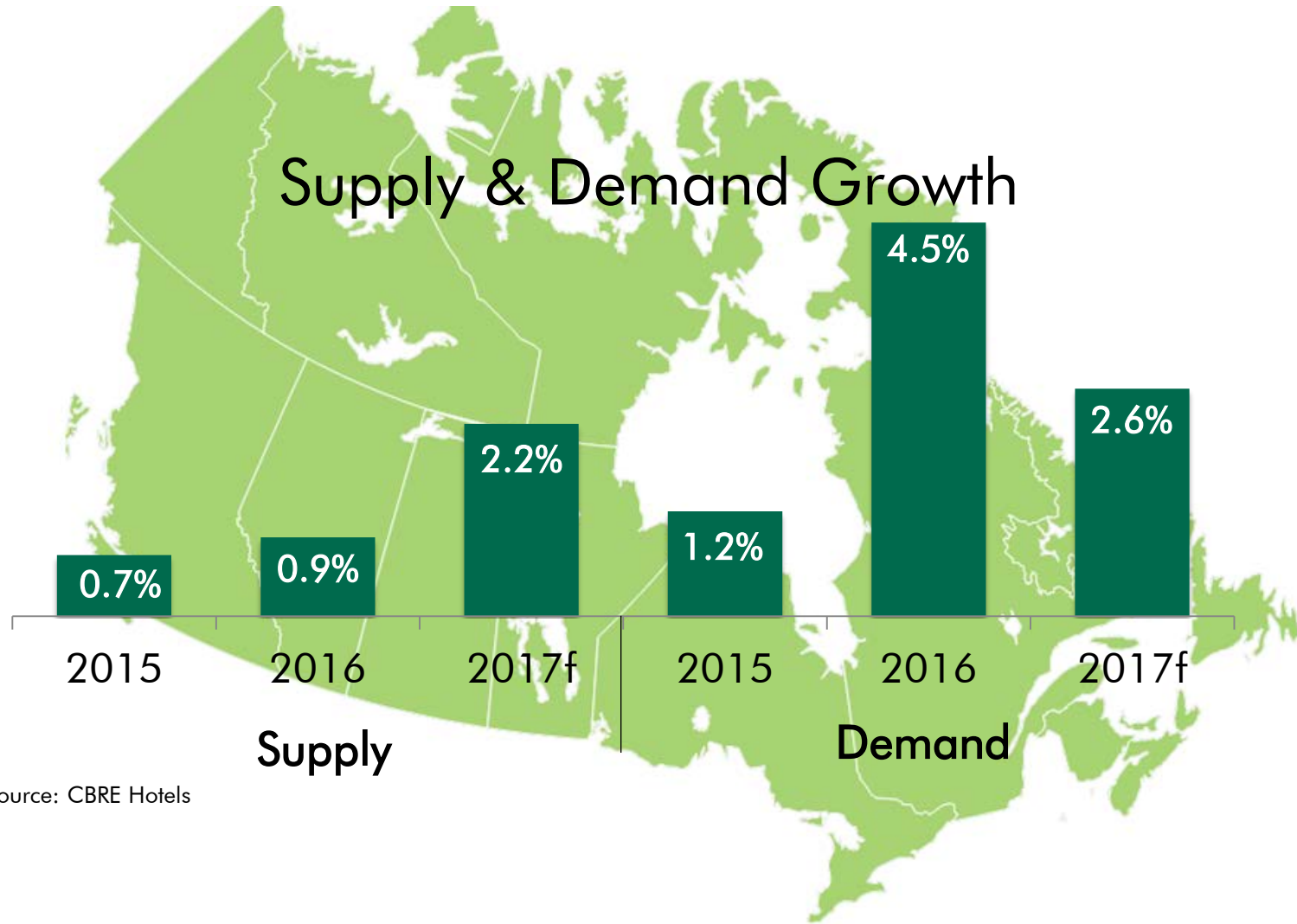


Source: Conference Board of Canada Travel Outlooks, Fall 2016

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ATLANTIC CANADA SUPPLY & DEMAND OUTLOOK



Source: CBRE Hotels

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ATLANTIC CANADA TOP LINE OUTLOOK

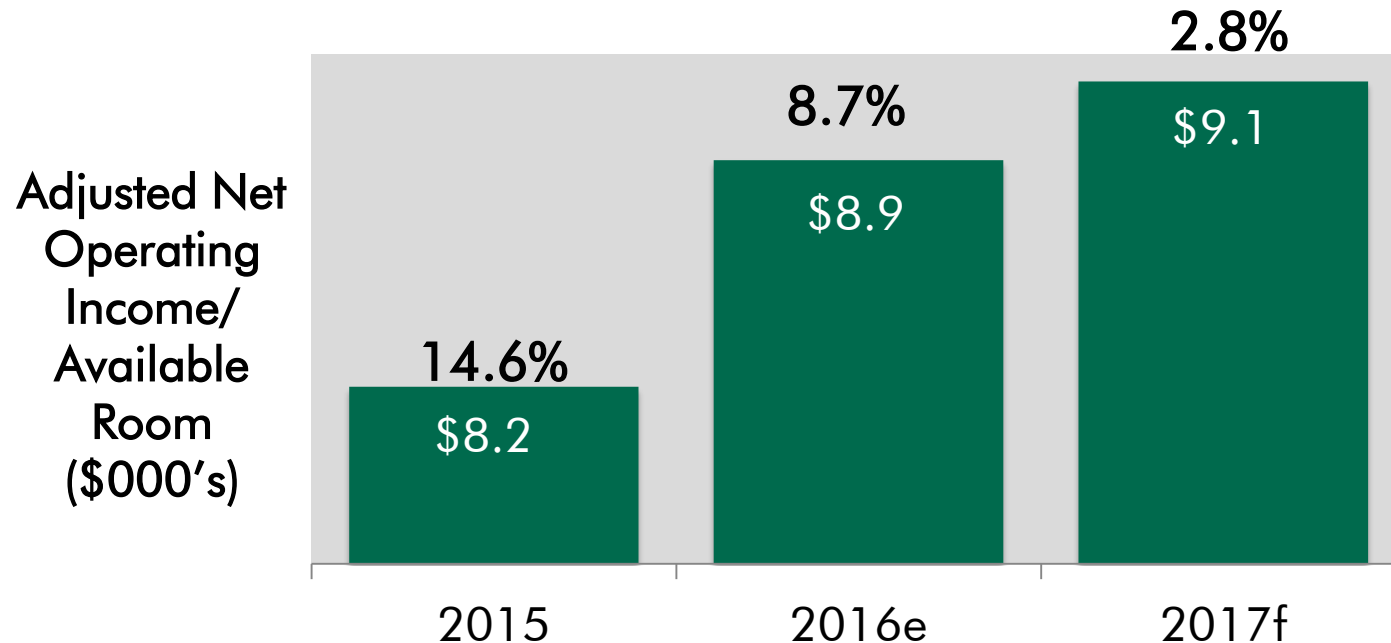
	2014	2015	2016	2017F
Occupancy	58%	59%	61%	61%
ADR	\$124	\$127	\$129	\$132
RevPAR	\$72	\$75	\$78	\$81

Source: CBRE Hotels

ATLANTIC CANADA ADR, REVPAR & BOTTOM LINE OUTLOOK

ADR Growth	
2015 Actual	2.8%
2016 Actual	1.6%
2017 Forecast	2.2%

RevPAR Growth	
2015 Actual	3.4%
2016 Actual	5.2%
2017 Forecast	2.7%



Source: CBRE Hotels

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ATLANTIC CANADA OUTLOOKS

	2014	2015	2016	2017F
Halifax	62%	64%	68%	69%
	\$128	\$133	\$136	\$140
RevPAR	\$80	\$85	\$93	\$96
St. John's	69%	65%	61%	57%
	\$156	\$154	\$151	\$151
RevPAR	\$108	\$101	\$93	\$87
Atlantic Canada	58%	59%	61%	61%
	\$124	\$127	\$129	\$132
RevPAR	\$72	\$75	\$78	\$81

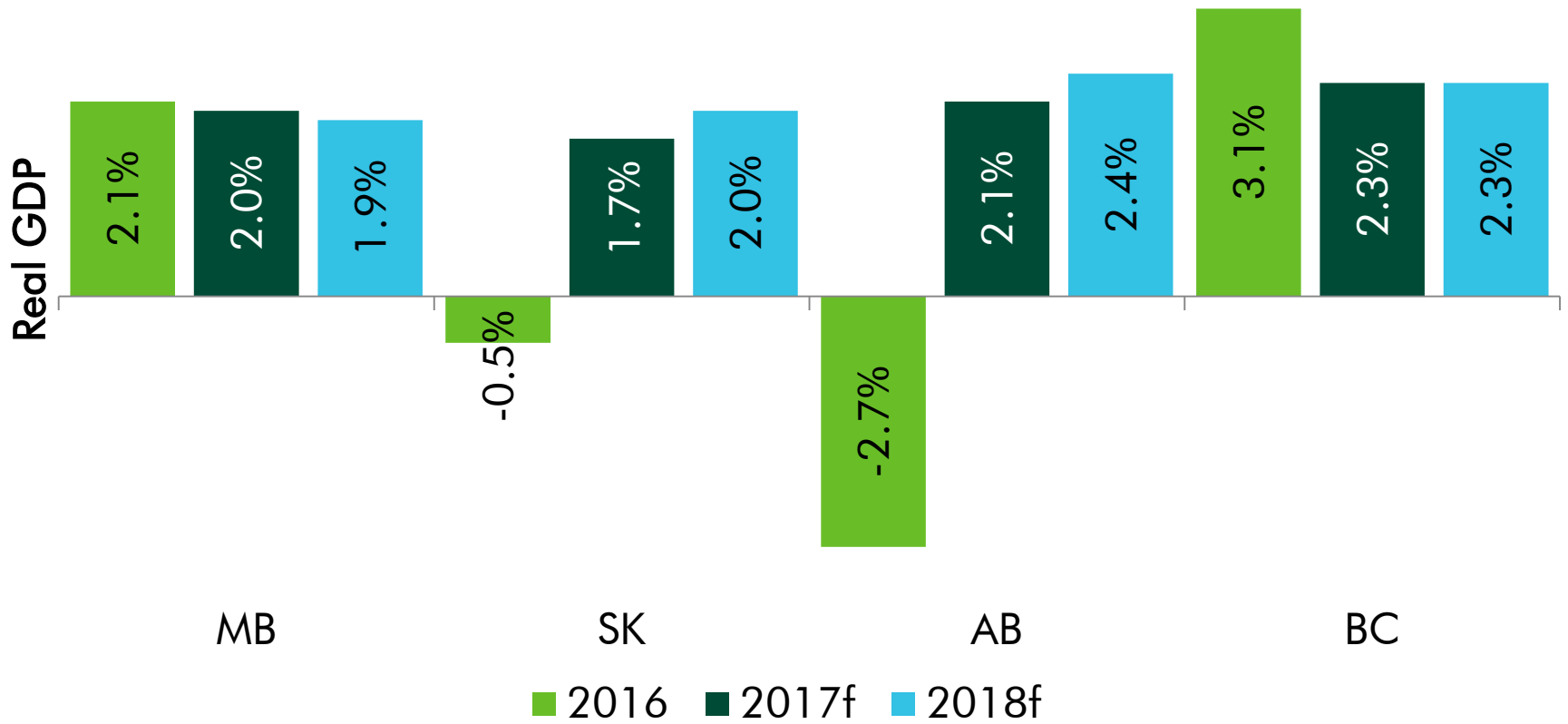
Source: CBRE Hotels



WESTERN CANADA MARKET & FINANCIAL OUTLOOKS

2017

WESTERN CANADA – GDP BY PROVINCE

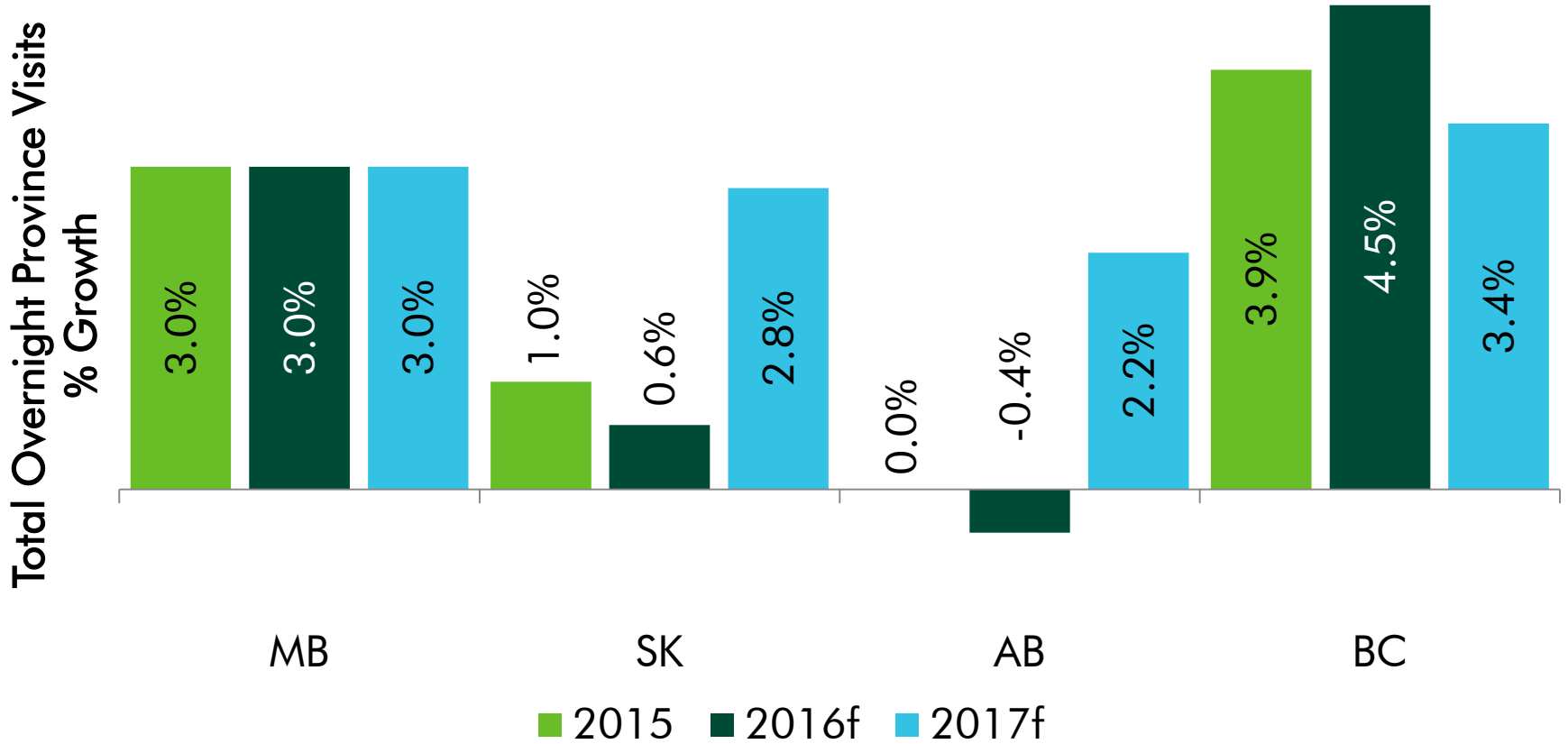


Source: Scotiabank Global Forecast Update, January 17, 2017

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WESTERN CANADA – TRAVEL MARKET OUTLOOKS BY PROVINCE

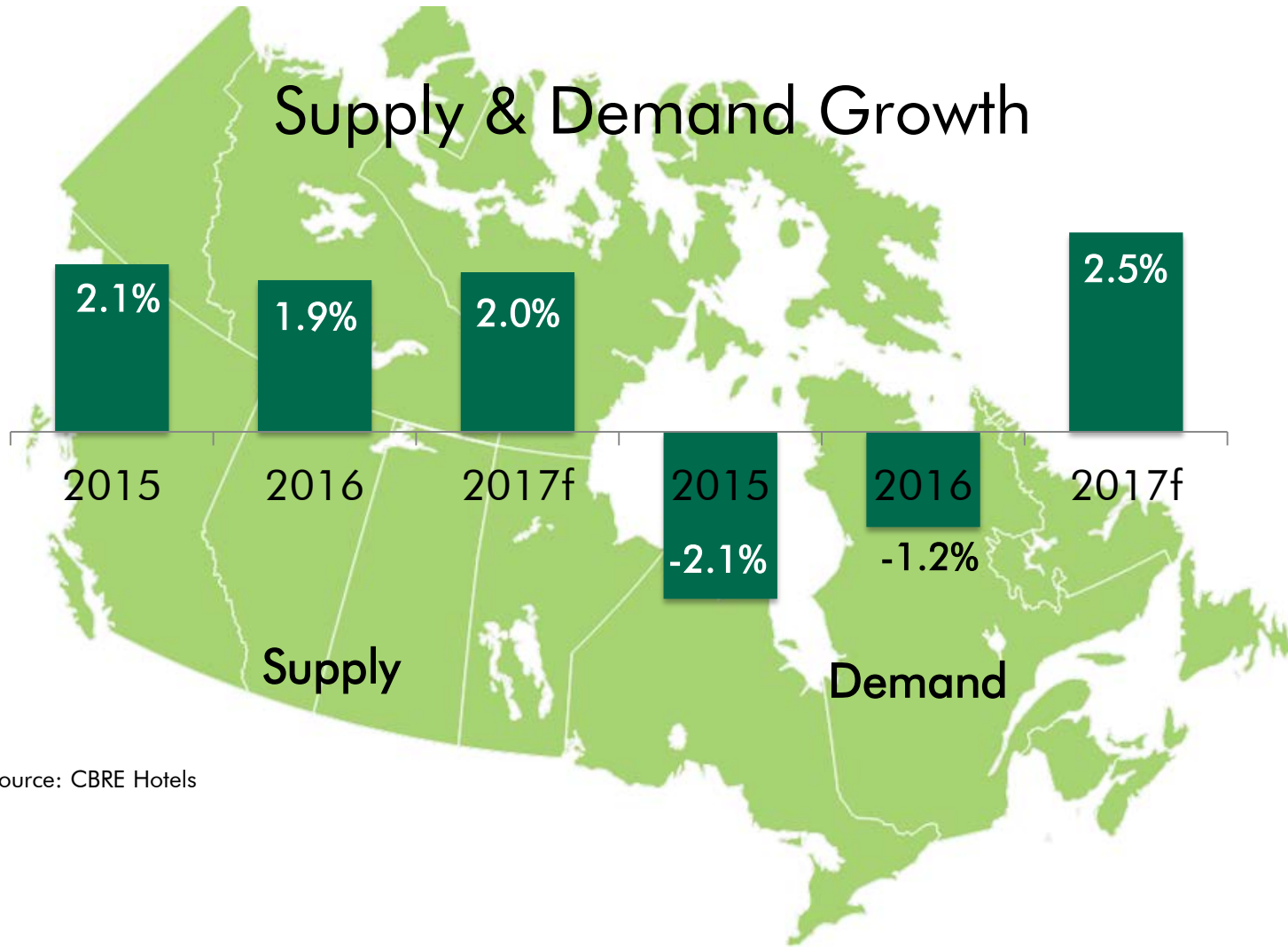


Source: Conference Board of Canada Travel Outlooks, Fall 2016

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WESTERN CANADA SUPPLY & DEMAND OUTLOOK



Source: CBRE Hotels

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WESTERN CANADA TOP LINE OUTLOOK

	2014	2015	2016	2017F
Occupancy	65%	62%	60%	61%
ADR	\$143	\$148	\$151	\$156
RevPAR	\$93	\$92	\$91	\$94

Source: CBRE Hotels

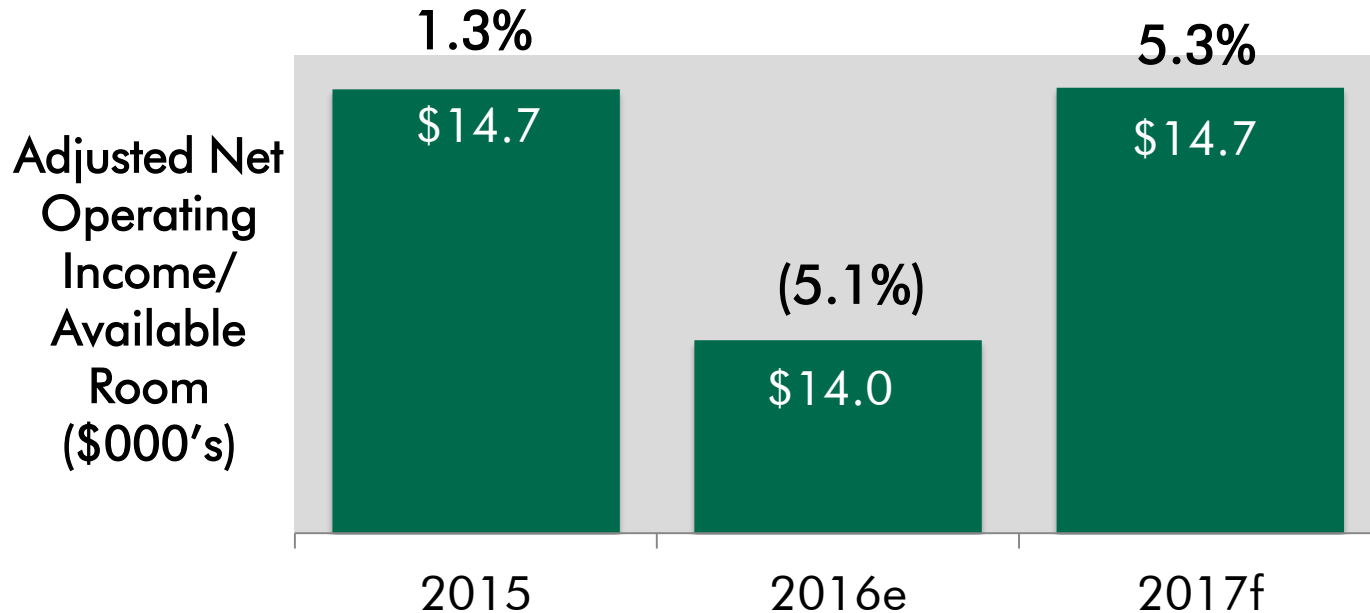
WESTERN CANADA ADR, REVPAR & BOTTOM LINE OUTLOOK

ADR Growth

2015 Actual	3.8%
2016 Actual	1.8%
2017 Forecast	3.2%

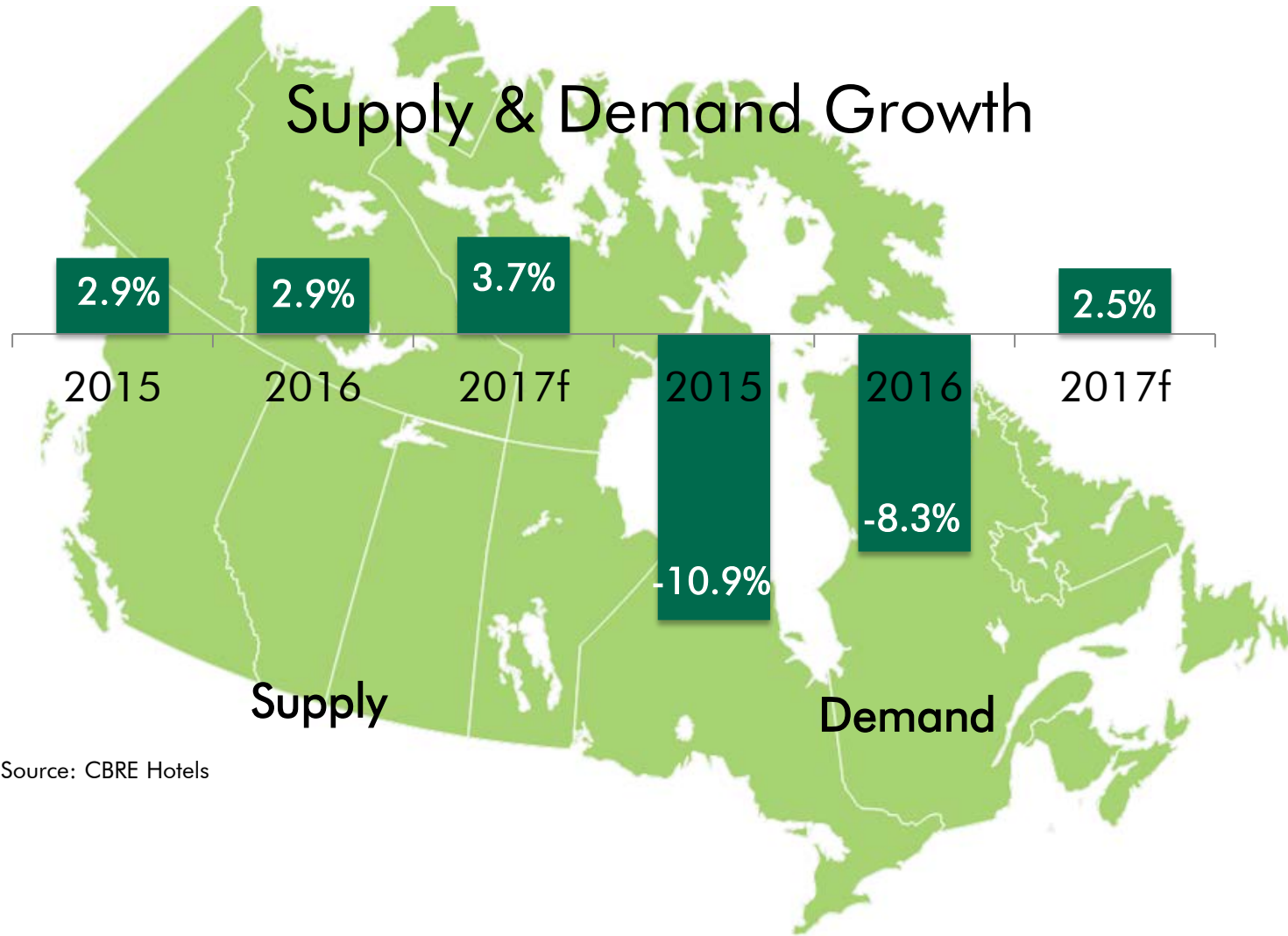
RevPAR Growth

2015 Actual	(0.5%)
2016 Actual	(1.3%)
2017 Forecast	3.6%



Source: CBRE Hotels

ALBERTA SUPPLY & DEMAND OUTLOOK



Source: CBRE Hotels

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ALBERTA* TOP LINE OUTLOOK

	2014	2015	2016	2017F
Occupancy	68%	59%	52%	52%
ADR	\$143	\$141	\$132	\$132
RevPAR	\$97	\$83	\$69	\$68

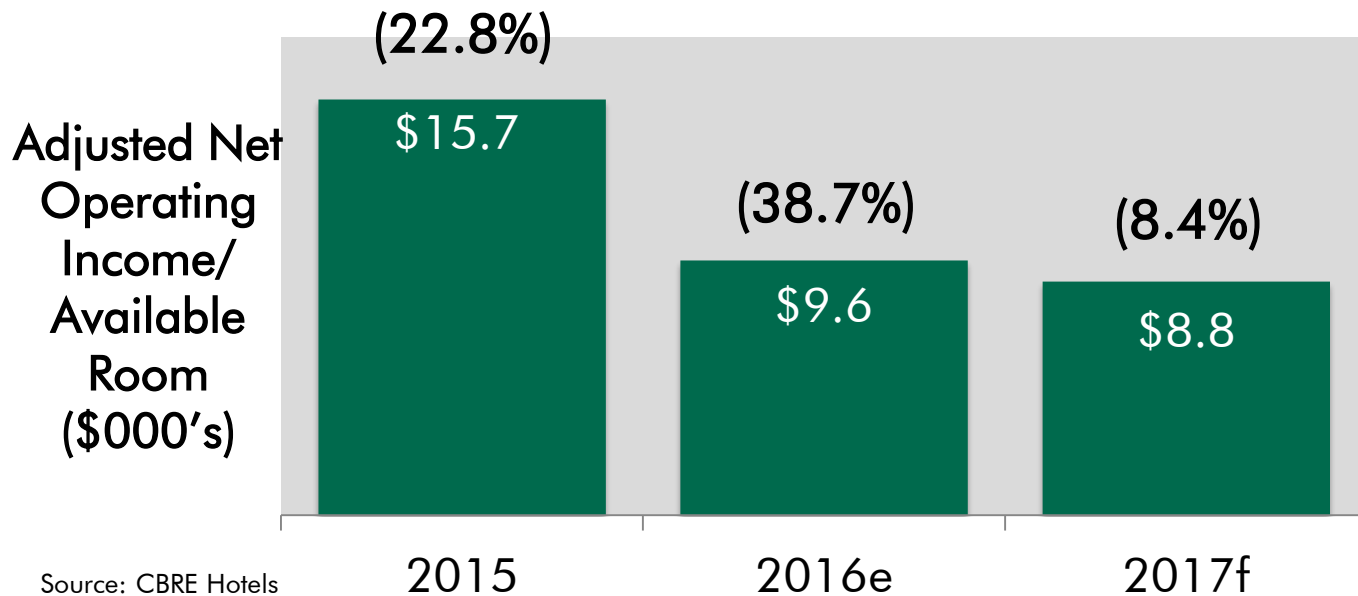
Source: CBRE Hotels

*Excluding resort properties

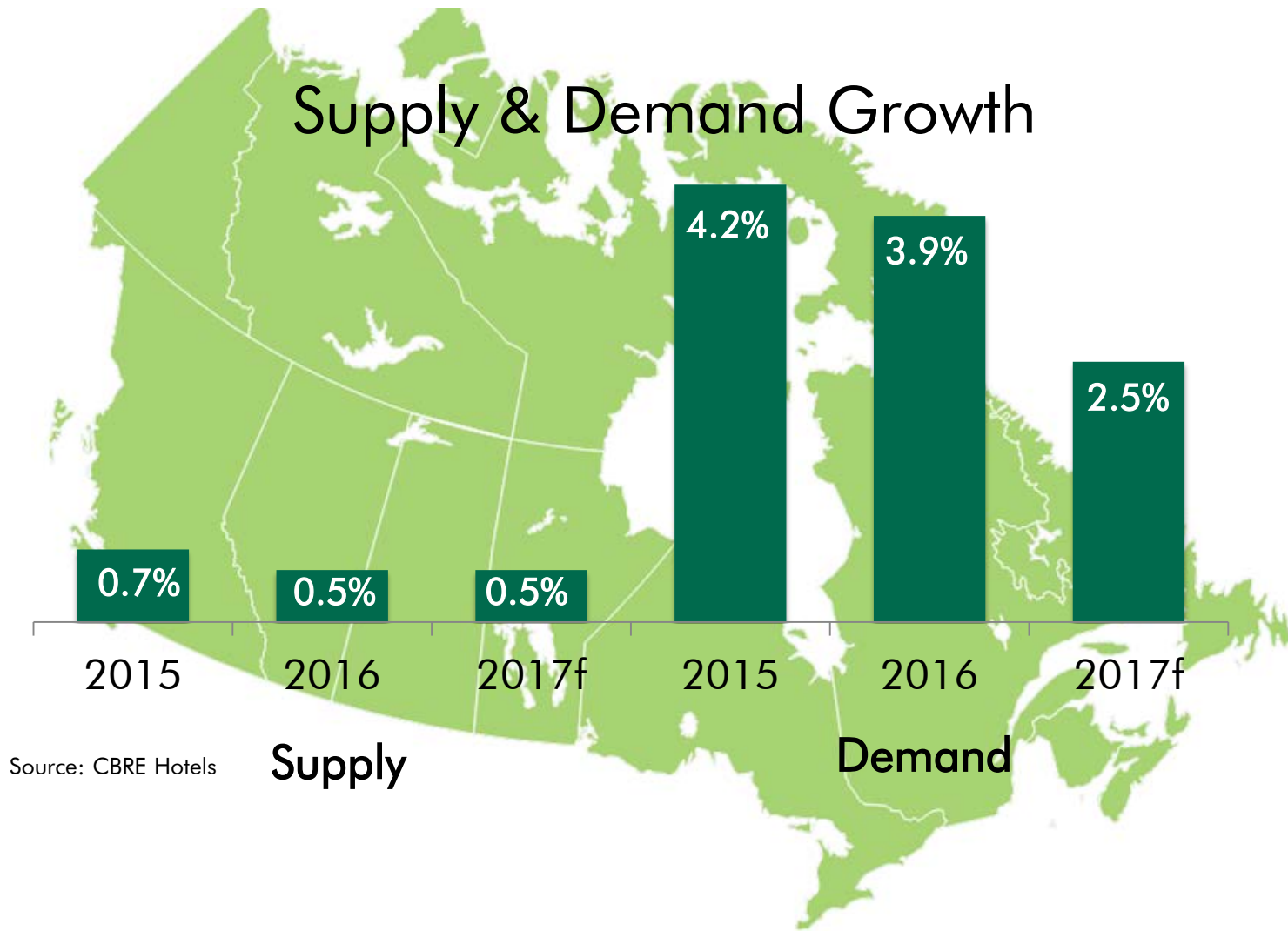
ALBERTA ADR, REVPAR & BOTTOM LINE OUTLOOK

ADR Growth	
2015 Actual	(1.5%)
2016 Actual	(6.6%)
2017 Forecast	-

RevPAR Growth	
2015 Actual	(14.7%)
2016 Actual	(16.8%)
2017 Forecast	(1.1%)



BRITISH COLUMBIA SUPPLY & DEMAND OUTLOOK



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BRITISH COLUMBIA TOP LINE OUTLOOK

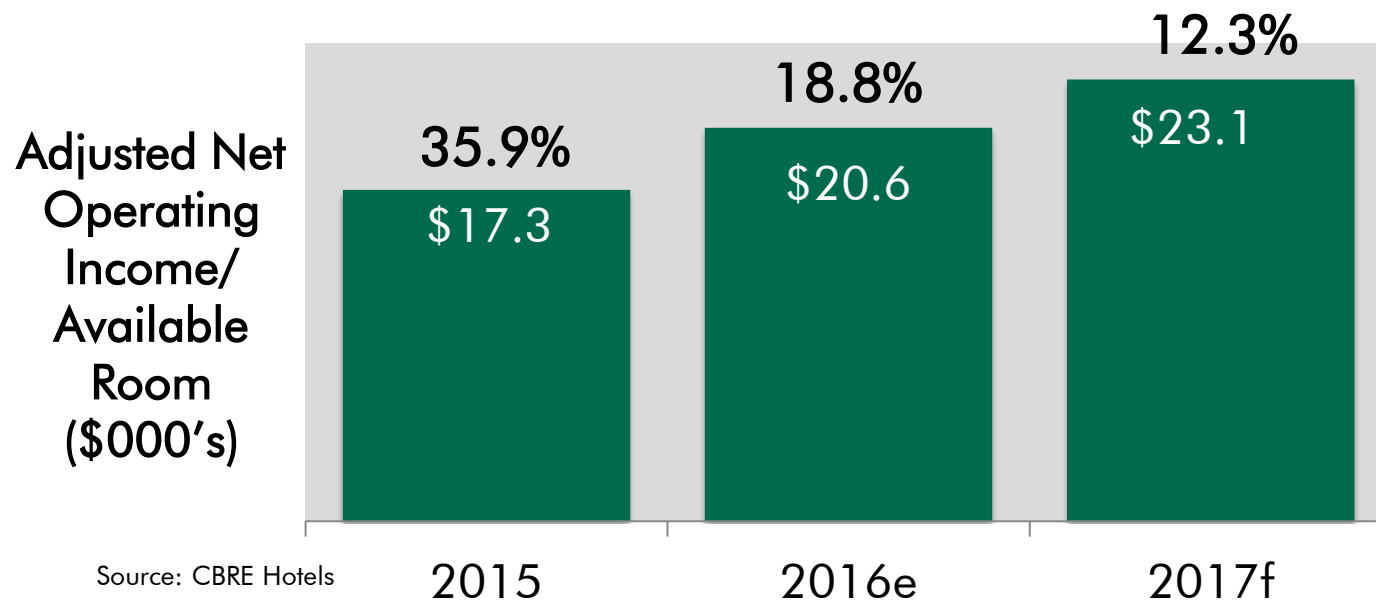
	2014	2015	2016	2017F
Occupancy	64%	66%	68%	70%
ADR	\$141	\$153	\$163	\$172
RevPAR	\$90	\$101	\$111	\$120

Source: CBRE Hotels

B.C. ADR, REVPAR & BOTTOM LINE OUTLOOK

ADR Growth	
2015 Actual	8.6%
2016 Actual	6.8%
2017 Forecast	5.5%

RevPAR Growth	
2015 Actual	12.4%
2016 Actual	10.3%
2017 Forecast	7.6%



WESTERN CANADA OUTLOOKS

	2014	2015	2016	2017F
Vancouver	73%	76%	79%	79%
	\$146	\$163	\$175	\$189
RevPAR	\$106	\$124	\$138	\$149
Calgary	70%	64%	59%	57%
	\$167	\$158	\$146	\$147
RevPAR	\$117	\$102	\$85	\$84
Edmonton	69%	63%	59%	56%
	\$134	\$136	\$130	\$128
RevPAR	\$93	\$86	\$77	\$72
Western Canada	65%	62%	60%	61%
	\$143	\$148	\$151	\$156
RevPAR	\$96	\$92	\$91	\$94

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WESTERN CANADA OUTLOOKS

	2014	2015	2016	2017F
Saskatoon	72%	65%	60%	60%
	\$147	\$146	\$133	\$136
RevPAR	\$106	\$95	\$79	\$81
Regina	67%	62%	60%	59%
	\$134	\$131	\$128	\$130
RevPAR	\$90	\$82	\$76	\$77
Winnipeg	62%	63%	66%	66%
	\$124	\$126	\$124	\$127
RevPAR	\$77	\$79	\$82	\$84
Western Canada	65%	62%	60%	61%
	\$143	\$148	\$151	\$156
RevPAR	\$96	\$92	\$91	\$94

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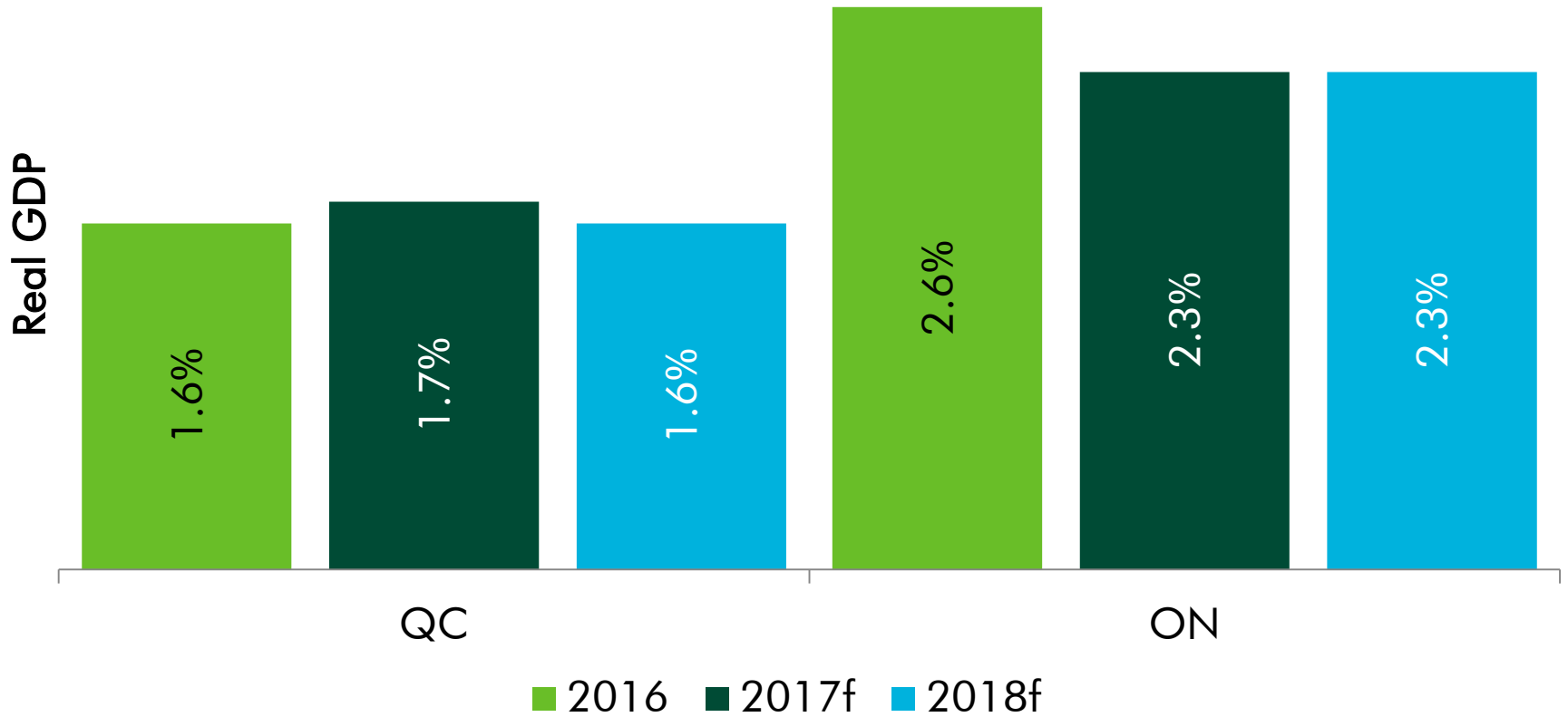
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CENTRAL CANADA MARKET & FINANCIAL OUTLOOKS

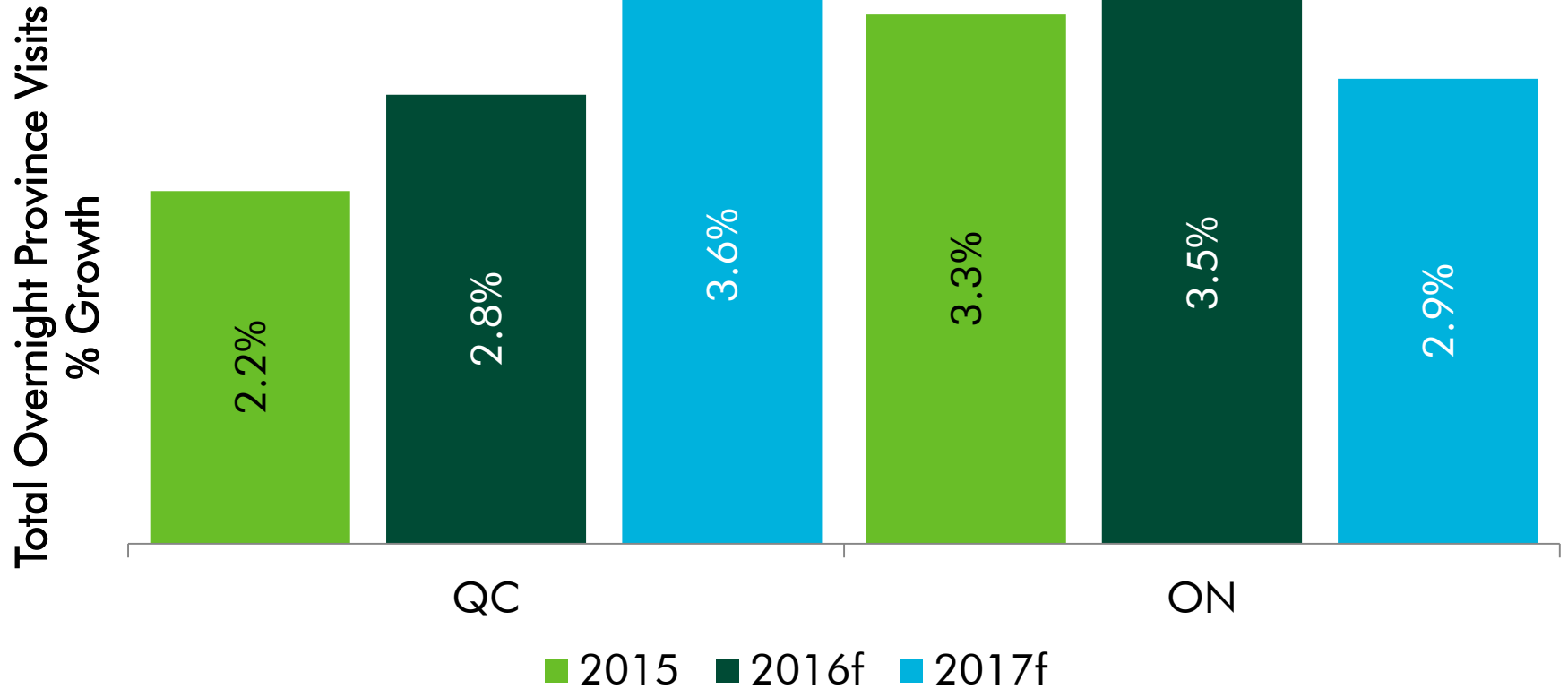
2017

CENTRAL CANADA – GDP BY PROVINCE



Source: Scotiabank Global Forecast Update, January 17, 2017

CENTRAL CANADA – TRAVEL MARKET OUTLOOKS



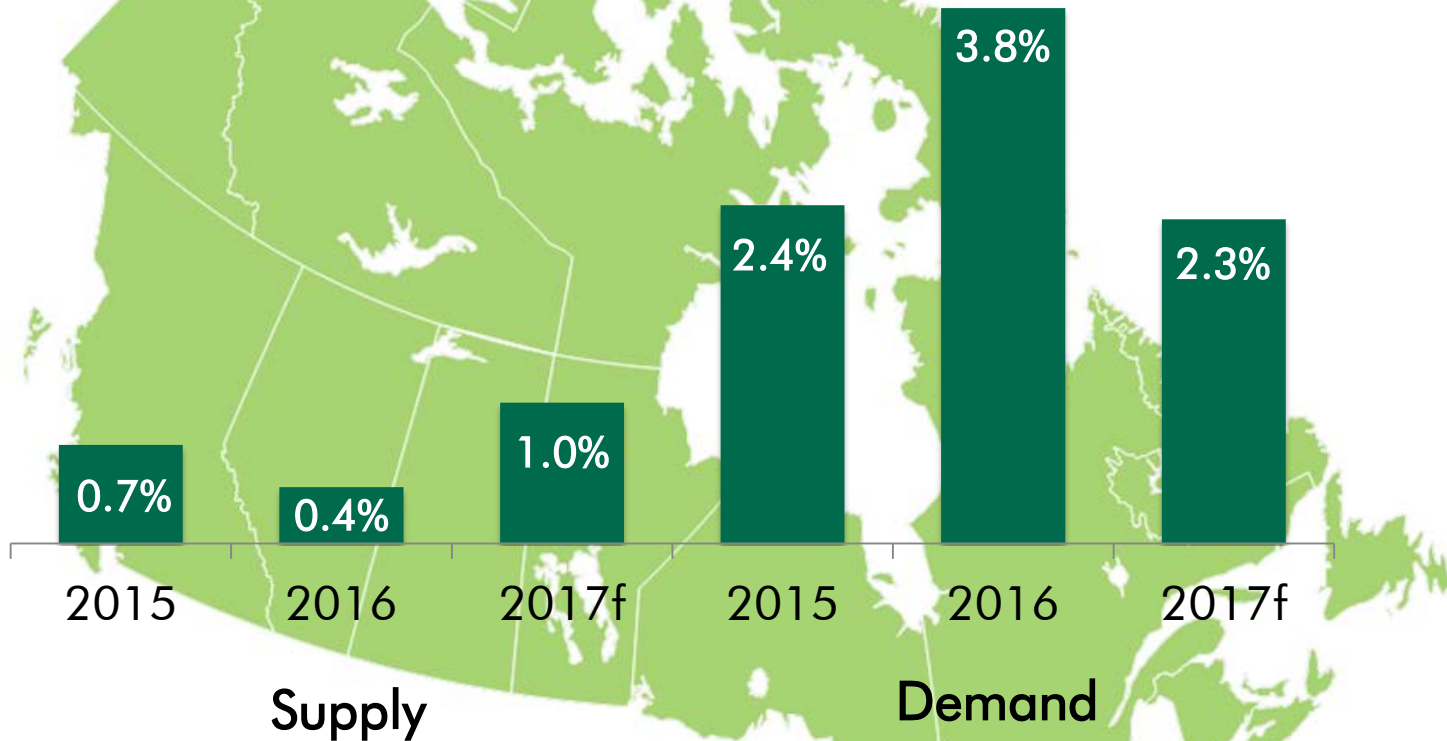
Source: Conference Board of Canada Travel Outlooks, Fall 2016

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CENTRAL CANADA SUPPLY & DEMAND OUTLOOK

Supply & Demand Growth



Source: CBRE Hotels

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CENTRAL CANADA TOP LINE OUTLOOK

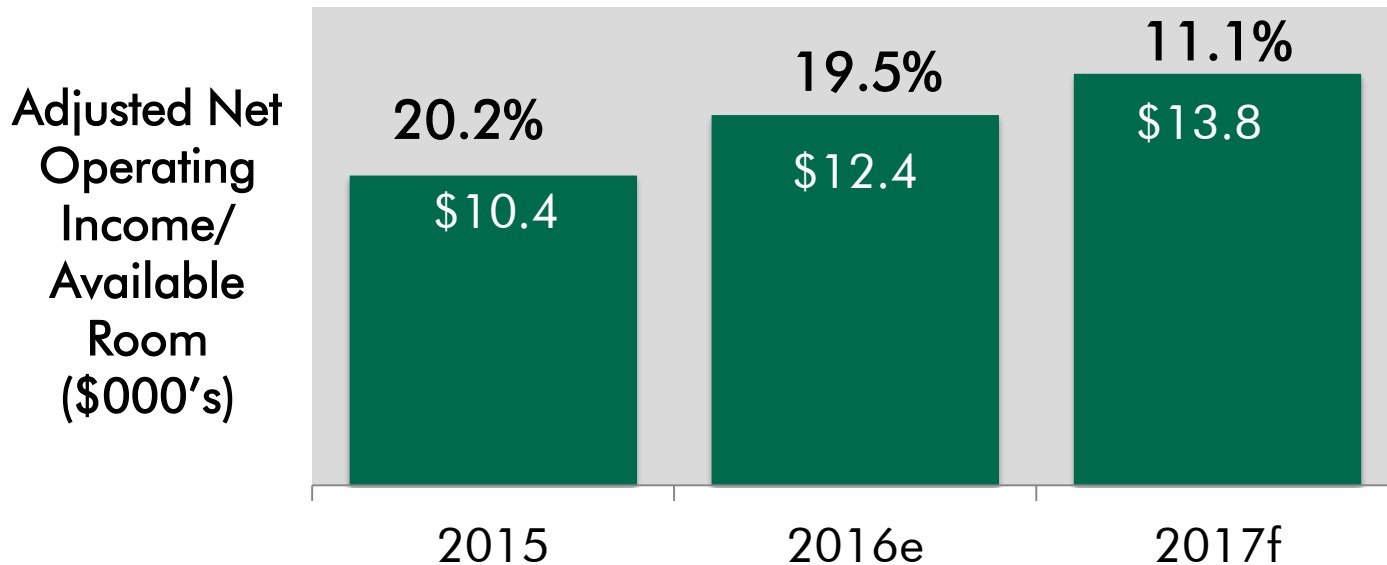
	2014	2015	2016	2017F
Occupancy	64%	66%	68%	69%
ADR	\$134	\$142	\$149	\$156
RevPAR	\$86	\$93	\$101	\$107

Source: CBRE Hotels

CENTRAL CANADA ADR, REVPAR & BOTTOM LINE OUTLOOK

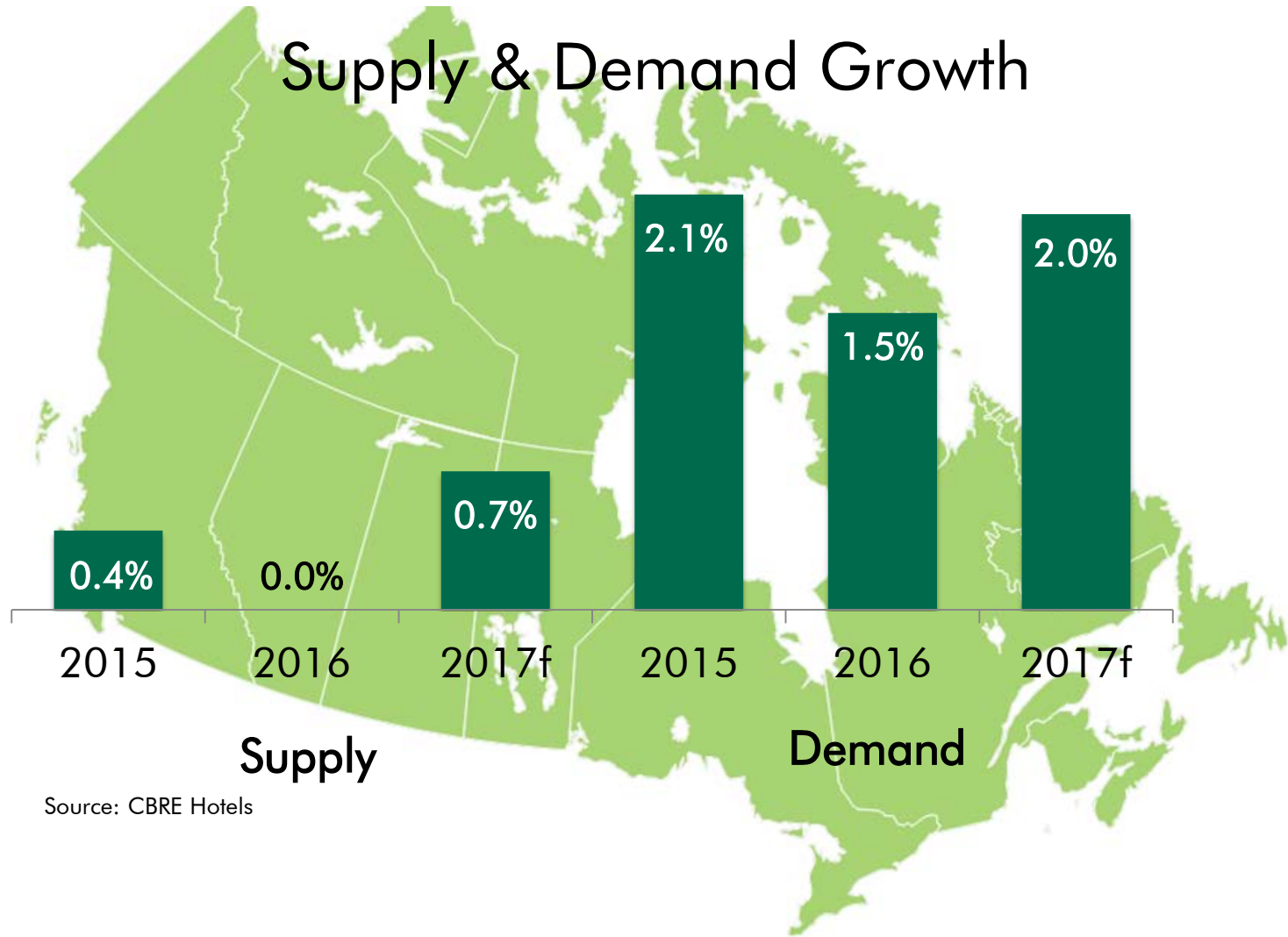
ADR Growth	
2015 Actual	6.1%
2016 Actual	5.0%
2017 Forecast	4.3%

RevPAR Growth	
2015 Actual	7.9%
2016 Actual	8.5%
2017 Forecast	5.7%



Source: CBRE Hotels

QUEBEC SUPPLY & DEMAND OUTLOOK



Source: CBRE Hotels

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QUEBEC TOP LINE OUTLOOK

	2014	2015	2016	2017F
Occupancy	65%	66%	68%	69%
ADR	\$145	\$152	\$159	\$166
RevPAR	\$95	\$101	\$108	\$114

Source: CBRE Hotels

QUEBEC SUPPLY & DEMAND OUTLOOK

ADR Growth	
2015 Actual	4.7%
2016 Actual	4.9%
2017 Forecast	4.0%

RevPAR Growth	
2015 Actual	6.5%
2016 Actual	7.5%
2017 Forecast	5.4%

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

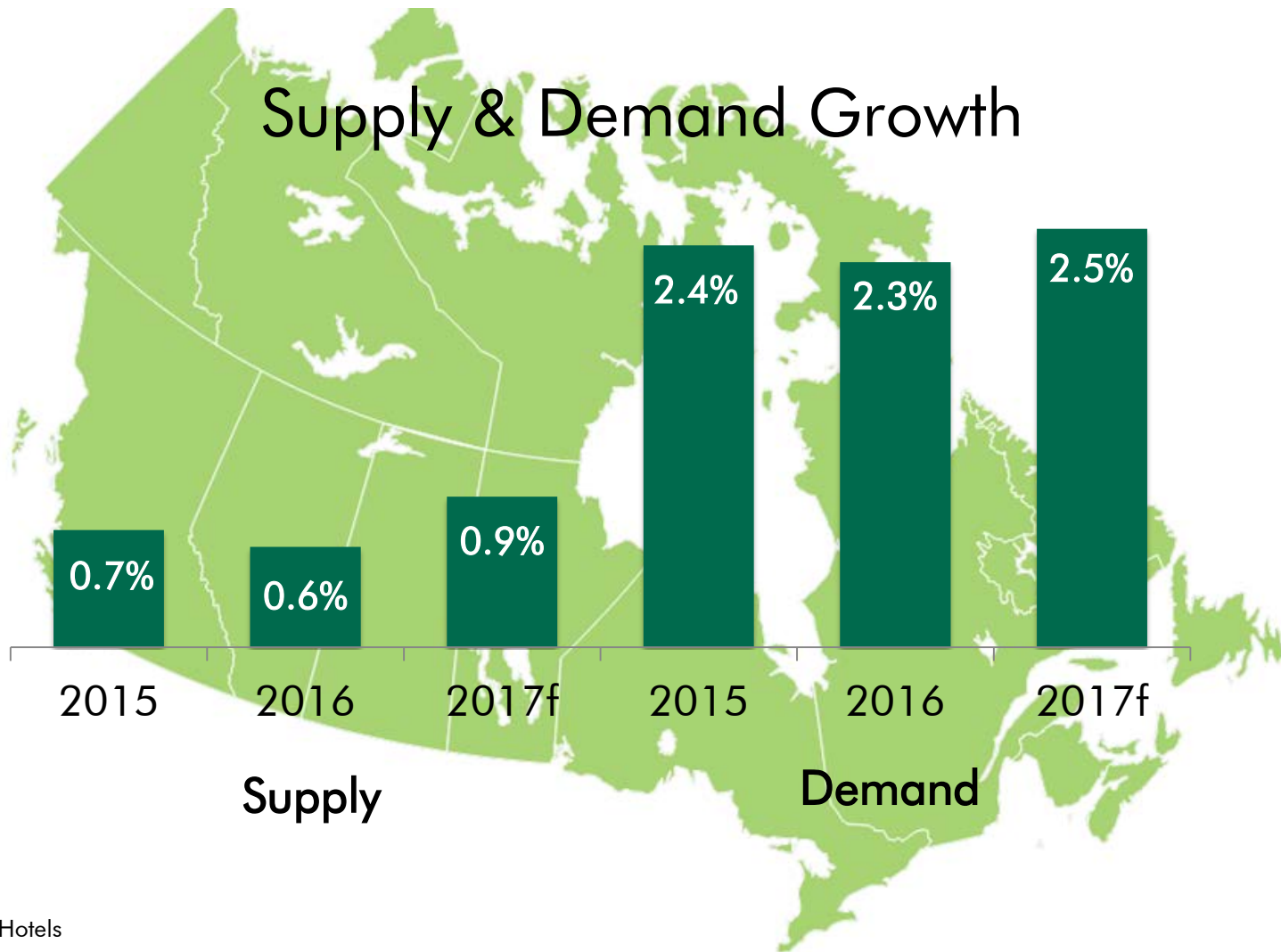


QUEBEC MAJOR MARKET OUTLOOKS

	2014	2015	2016	2017F
Montreal	69%	71%	73%	74%
	\$146	\$154	\$163	\$174
RevPAR	\$101	\$109	\$118	\$129
Quebec City	63%	63%	66%	67%
	\$151	\$158	\$165	\$170
RevPAR	\$95	\$100	\$109	\$113
Quebec	65%	66%	68%	69%
	\$145	\$152	\$159	\$166
RevPAR	\$95	\$101	\$108	\$114

Source: CBRE Hotels

ONTARIO SUPPLY & DEMAND OUTLOOK



Source: CBRE Hotels

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ONTARIO TOP LINE OUTLOOK

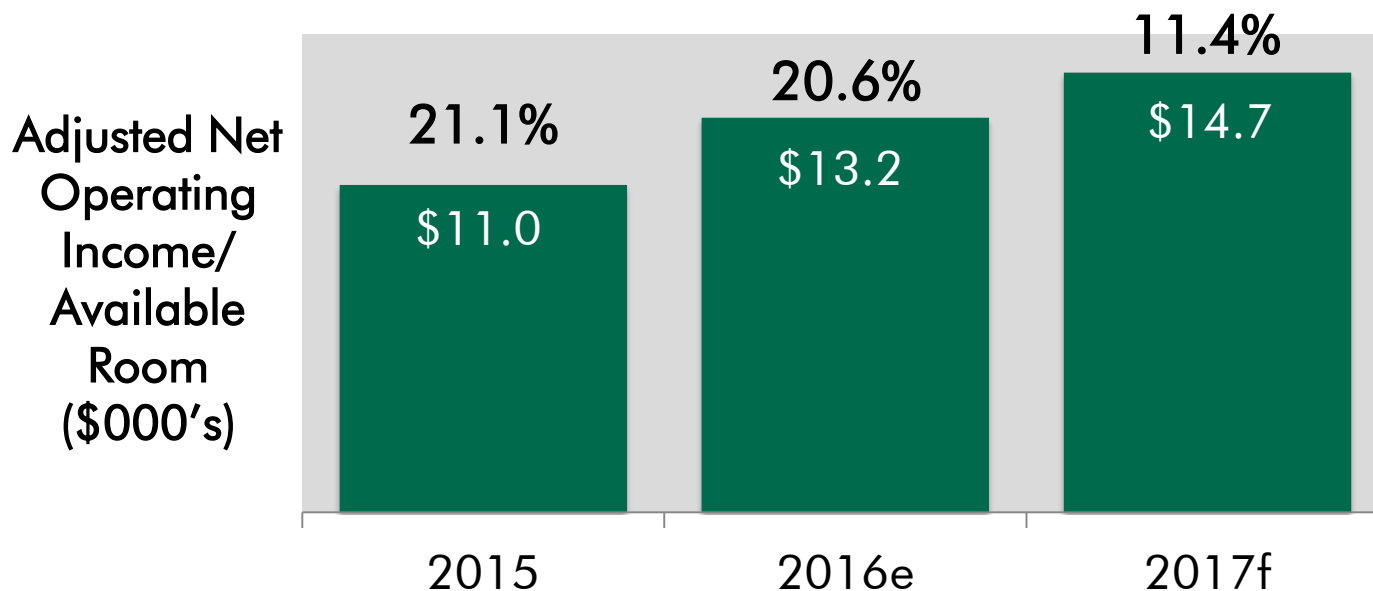
	2014	2015	2016	2017F
Occupancy	64%	65%	68%	69%
ADR	\$130	\$139	\$146	\$153
RevPAR	\$84	\$90	\$99	\$105

Source: CBRE Hotels

ONTARIO ADR, REVPAR & BOTTOM LINE OUTLOOK

ADR Growth	
2015 Actual	6.3%
2016 Actual	5.4%
2017 Forecast	4.5%

RevPAR Growth	
2015 Actual	8.1%
2016 Actual	9.2%
2017 Forecast	6.1%



Source: CBRE Hotels

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ONTARIO MAJOR MARKET OUTLOOKS

	2014	2015	2016	2017F
Toronto	70%	71%	74%	74%
	\$139	\$149	\$160	\$169
RevPAR	\$97	\$106	\$119	\$126
Niagara Falls	61%	64%	67%	69%
	\$141	\$157	\$162	\$168
RevPAR	\$87	\$101	\$108	\$115
Ottawa	70%	72%	72%	73%
	\$144	\$151	\$157	\$164
RevPAR	\$101	\$109	\$114	\$119
Ontario	64%	65%	68%	69%
	\$130	\$139	\$146	\$153
RevPAR	\$84	\$90	\$99	\$105

Source: CBRE Hotels

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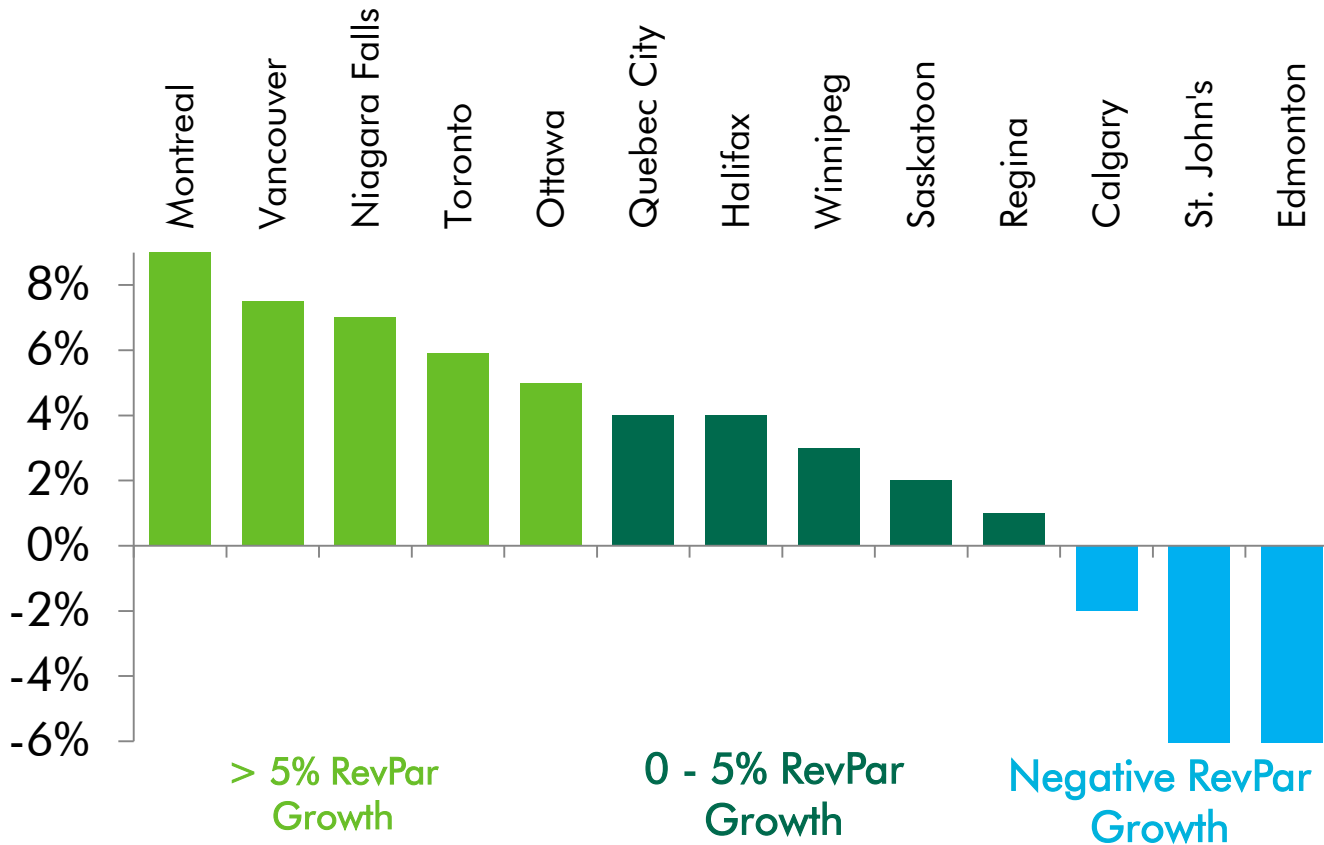
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MAJOR MARKET OUTLOOKS

2017

MAJOR MARKET OUTLOOKS REVPAR PROJECTION - 2017



2017 RevPAR Ranking	
Vancouver	\$149
Montreal	\$129
Toronto	\$126
Ottawa	\$119
Niagara Falls	\$115
Quebec City	\$113
Halifax	\$96
St. John's	\$87
Winnipeg	\$84
Calgary	\$84
Saskatoon	\$81
Regina	\$77
Edmonton	\$72

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

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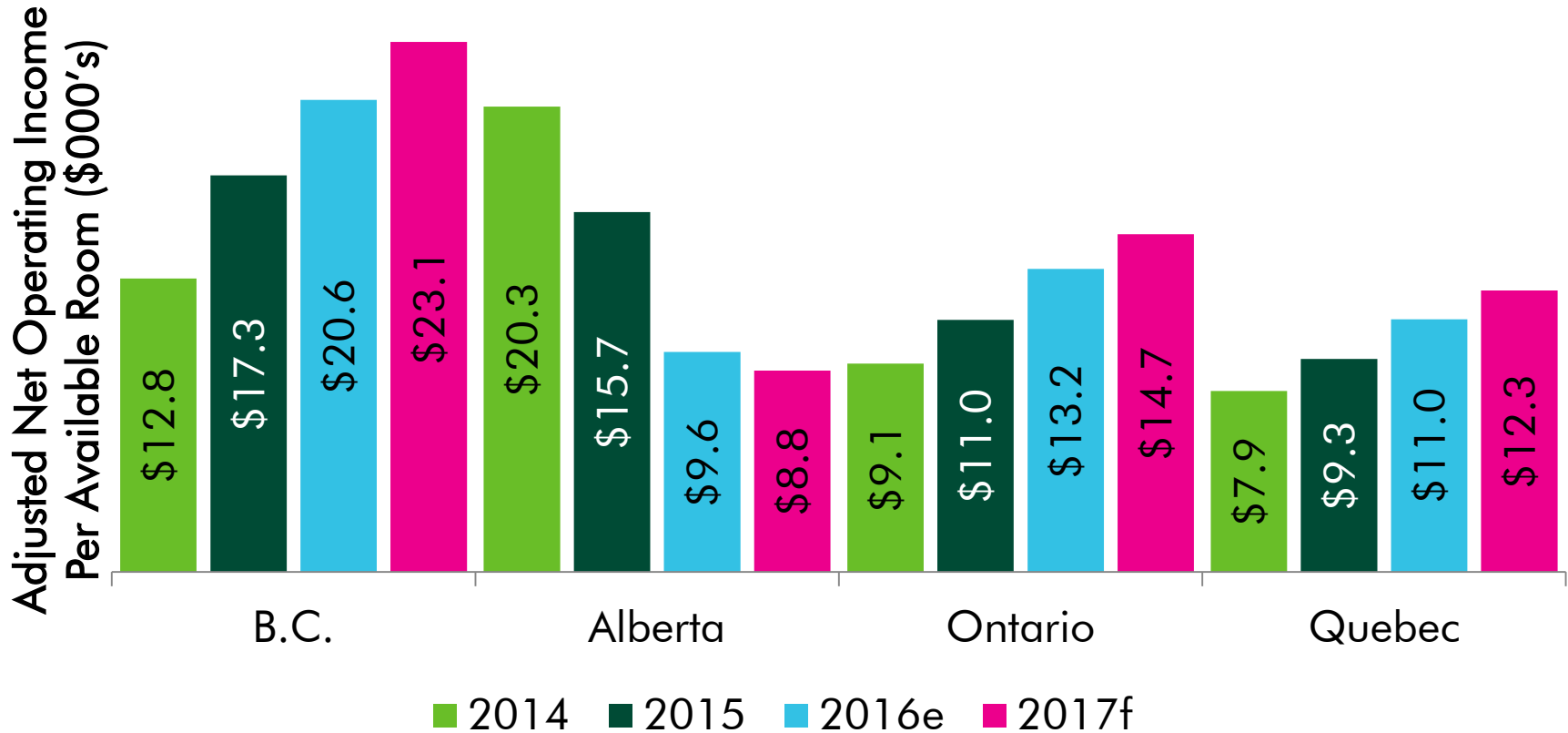
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NATIONAL FINANCIAL OUTLOOKS

2017

PROVINCIAL FINANCIAL OUTLOOK 2014-2017



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

Source: CBRE Hotels

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HOTEL



Brokerage

Bill Stone

Greg Kwong

Deborah Borotsik

Marc-Aurele Mailloux-Gagnon

Scott Duff

Michael Beckley

Raymond Chan

Karina Saks

Ashley Kerr

Valuation & Advisory Services

Brian Flood

David Larone

Brian Stanford

Fran Hohol

Erin O'Brien

Cindy Schoenauer

David Ferguson

Rebecca Godfrey

Kirstin Hallett

Nicole Nguyen

Robert Sedore

Lauren Arnold

Vanessa Boland

Kailey Gomez

Carol Lopes

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THANK YOU

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