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HVS 2025 CANADIAN

HOTEL VALUATION INDEX

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Interpreting the HVI

HVS routinely receives inquiries from hotel owners, investors, and lenders as to how the Hotel Valuation Index data can be interpreted with respect to their own assets and investment strategies. The Canadian HVI tracks hotel values in Canada as a whole, as well as for 19 lodging markets. It is calculated using HVS performance projections including new supply, expense ratios, rooms revenue ratios, lending parameter ratios, for all of the markets reviewed. These market data represent the aggregate performance of most hotels within the defined geographic market.

The HVI is an index, a statistical concept reflecting a measure of the difference in the magnitude of a group of related variables compared with a base period. As such, it is a measure of broad market trends rather than a conclusion as to the specific value of any asset, and it cannot be applied to an individual asset. A good comparison is the Consumer Price Index. While this index provides a reliable measure of the overall rate of inflation in a region, it does not indicate how the price of milk has changed at one grocery store.

In any market, the aggregate nature of projected performance data limits the comparability to an individual asset. In the case of the historical STR data used in developing the HVI, the breadth of the sample included in the report is a material factor. The sample for each market area includes virtually all the hotels in the defined market, ranging from economy to luxury properties; limited- to full-service operations; assets in poor to excellent condition; and a wide array of locations, from Tier 1 urban settings to peripheral locations in tertiary submarkets. The resulting data, while an excellent measure of the overall trends in the market, cannot be applied to any individual submarket or asset group, much less any one hotel. For example, the addition of new supply, or a change in the performance of an individual submarket within the broader market, can cause that submarket to have significantly different results than the market.

Numerous factors influence the value of an individual asset, including the property's age, condition, location, amenities and services, brand, management expertise, and reputation. These factors must all be considered in the context of the hotel's specific competitive market, including the nature and strength of and trends affecting demand generators, the character and competitive posture of the existing hotels, and the potential addition of any new properties. The value of any individual asset can only be concluded after a thorough investigation of all these factors. That conclusion will invariably differ, often materially, from the index indicated by the HVI.

How, then, can the HVI be of use to an individual investor? Although the HVI cannot tell you what a particular hotel is worth, it does provide excellent "big picture" data, indicating which market areas are experiencing positive trends and may thus present good investment opportunities. The HVI for Canada is a measure of the strength of the lodging industry as a whole and, specifically, the hospitality investment market. The HVI for the various identified markets can provide a basis to evaluate and compare different geographic regions for investment purposes.

Understanding the HVI

The Hotel Valuation Index (HVI) tracks hotel values in 19 major Canadian markets, plus Canada as a whole. Derived from an income capitalization approach, the HVI utilizes market area data provided by STR combined with historical operational information from HVS's extensive global experience in hotel feasibility studies and valuations. The data are then aggregated to produce a proforma performance for a typical hotel in each respective Canadian market. Based on our experience of real-life hotel financing structures gained from valuing hundreds of hotels each year, we then apply appropriate valuation parameters for each market, including loan-to-value ratios, real interest rates, and equity return expectations. These market-specific valuation parameters are applied to the net operating income for a typical full-service hotel in each city.

It should be noted that the uncertainty in the hotel industry that the pandemic created, caused HVS Canada to pause from making any HVI projections in 2020 through 2023.

The HVI is an indexed value that uses the 2005 value of a typical Canadian hotel (2005 = 1.0000) as a base. Each market area is then indexed off this base with a number showing the value relationship of that market area to the base. For example, the index for the Toronto Downtown market in 2005 was 1.41, which means that the value of a hotel located in Downtown Toronto was approximately 40% higher than that of a similar hotel in Canada in 2005.

The HVI allows one to not only compare the value of hotels in local markets against the national market, but also value differences between hotels in two different Canadian cities. For example, say that a hotel in Ottawa, Ontario, sold in 2025 for $100,000 per room. If a similar hotel were situated in Calgary, Alberta, it would have sold for $78,820 per room in 2025. This figure is calculated by taking the 2025 HVI for Calgary and dividing it by the 2024 HVI for Ottawa to determine the value adjustment.

$$\frac{\text{2025 HVI Calgary (1.5493)}}{\text{2025 HVI Ottawa (1.9657)}} = 0.7882$$

The 2024 sale price of $100,000 per room is then multiplied by the amount of the previously calculated factor of 0.7882, yielding the estimated 2024 sale price per room for Calgary.

$$\$100{,}000 \times 0.7882 \ = \$78{,}820$$

The HVI can also be used to determine the percentage change in value in the same market over time. To calculate, divide the HVI for the last year by the HVI for the first year and then subtract 1 from this calculation. For example, the HVI for Edmonton was 0.9783 in 2019 and 1.1348 in 2024. To calculate the estimated percentage change in value for a typical Edmonton hotel from 2019 to 2024, divide the 2024 HVI for Edmonton by the 2019 HVI and then subtract 1 to get an approximate 16% increase in value from 2019 to 2024.

$$\left(\frac{1.1348}{0.9783}\right) - 1 = 0.15997, \text{or } 16\%$$

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The Canadian Hotel Market

In 2025 closes in, the **CANADIAN LODGING MARKET** has shown tremendous resilience. Canada's "elbows up" nationalism has enabled the hotel market to thrive despite the global geo-political disruption. As the data for year-to-date through October shows, the market has exceeded 2024 in terms of RevPAR. Canada continues to reach new peaks for market demand and is matching the record-breaking occupancy from 2018.

Hotel market occupancy is greatly influenced the addition of new supply. Historically, Canada has had an annual average increase in net inventory of about 1.0%. Through 2029, the net new supply is projected to reach almost 3.0% annually because many projects that were put on hold during the pandemic have restarted.

The growth in average daily rate (ADR) has risen sharply in recent years, as hoteliers have experienced significant cost increases and have had to offset these pressures with higher room rates. Inflation has enabled hoteliers to increase their room rates, but it has also increased their labour and operating costs, creating pressure for greater operating efficiencies. At the same time, strong demand growth and growing occupancy have resulted in compression in many markets, allowing hoteliers to push room rates.

Consequently, RevPAR growth in 2025 is projected at 4.4%. From 2026 through 2028, ADR is expected to increase at a rate greater than inflation, at 3.5% annually; however, an uptick in supply is likely to result in modest occupancy declines, moderating RevPAR growth in the near term.

This year has been marked by the trade tariffs that the US has imposed on Canada. In 2024, there was $3.6 billion in trade exchanged daily between the two countries. Moreover, Canada and the United States are each other's closest international partners—76% of Canadian domestic exports went to the US. However, the tariff tensions between the US and Canada are creating uncertainty for the future of this trade relationship. As a result, Canada is looking to expand its breadth of international trading partners to make its economy less dependent on trade with the United States.

Overall, the trade conflict with the United States does not appear to be adversely affecting the Canadian lodging market. Projections for 2025 show an increase in the national value per room to $195,214, which represents a 4.0% increase over 2024. The growth of RevPAR in the top urban markets, including Vancouver Downtown, Toronto Downtown, and Montreal Downtown, is contributing to an average increase of almost 5.0% in per-room value in these major markets over 2024.

What does 2026 hold?

The Conference Board of Canada is projecting the national GDP to grow by 0.9% in 2025. In 2026, as measures to mitigate tariffs and diversify trading partners take hold and the Bank of Canada's interest-rate reductions have a stimulating impact, the national GDP is projected to increase by 1.9%.

In 2026, the national per-room value is expected to rise by $13,000 per room, or 6.5%, reaching $207,900. This significant growth reflects several emerging trends. After a slowdown in development in response to the pandemic, more high-quality inventory is entering the market; a notable amount of hotel inventory is also being renovated, and hotels are being increasingly recognized as compelling real estate investments. This in turn has resulted in more liquidity in the market and a competitive lending environment that is ready to support new hotel development and investment.

In our projections for 2026, the top markets for new hotel supply are Toronto Downtown with 669 new rooms, Ottawa–Gatineau with 582 rooms, and Niagara Falls with 453 rooms. This is expected to result in a projected average national occupancy rate of 66%, which is on par with 2025 despite the 2.5% increase in supply (more than 7,000 rooms), reflecting pent-up demand in the market.

Strong operating performance is fuelling transaction activity

According to the Q2 2025 Colliers Hotels Investment Report, the Canadian hotel market continues to demonstrate strong investment activity. In the first half of 2025, the transaction volume reached nearly $1 billion in sales, very similar to Q2 2024. There have been 72 hotel transactions in Canada so far this year, with the average deal size of $13.4 million. This year, Colliers is projecting $2 billion in transaction volume for the country, which is on par with 2024. There are currently more buyers than sellers in the market, making competition strong for sellers given that product availability is limited. Q3 2025 is looking positive, as some large deals have already closed. In the first half of 2025, full-service hotels accounted for 40% of hotels that sold, focussed-service hotels represented 25%, and limited-service hotels, 26%. Ontario remains the dominant market at 52% of the national transaction volume, but Alberta, British Columbia, and Quebec are becoming more attractive to investors even though supply is limited. Alberta is an attractive market, representing 18% of national transactions through Q2; British Columbia and Quebec each accounted for 10% of transactions. Calgary, Vancouver, and Montreal have also seen high-value transactions.

Several major transactions that were completed in the first half of 2025 demonstrate the health of hotel investment market. The 96-room Bisha Hotel Toronto changed hands in February 2025 for $91 million, joining Marriott's Luxury Collection. Another significant transaction earlier in 2025 was a three-property portfolio in Newfoundland and Labrador totalling 283 rooms; the price has not been made not public, but this is significant activity for this market. Additionally, the 163-room Hampton Inn & Suites by Hilton Halifax–Dartmouth sold for $48.8 million in Q1 2025. Both Toronto and Vancouver recorded notable luxury transactions this summer: the sales of the Ritz-Carlton Toronto and the Shangri-La Vancouver each achieved a price-per-key figure in the range of $1 million.

Overall, pricing momentum was strong in the first half of 2025. Investor confidence remained high, and the national price per key among transactions averaged nearly $200,000, up 18% year-over-year.

2025 HVI highlights

The Hotel Valuation Index (HVI) is a metric used for tracking hotel values for 20 markets across Canada, including Canada as a whole. It is based on market performance and overall hotel profitability margins, as well as the current lending environment and the appetite for hotel acquisitions.

The HVI projects that the Canadian lodging market to see a 4.0% increase in hotel values by the end of 2025 in comparison to 2024, which is slightly higher than the compound annual growth of 3.5% since 2005. In our four-year projections, growth is somewhat stronger from 2026 to 2028, as the Canadian hotel industry is expected to remain resilient. Hotels are an increasingly coveted asset class within the real estate industry, particularly among first-time investors in the industry.

The Vancouver Downtown and Toronto Downtown markets have consistently held the top positions in value rankings and are projected to maintain their positions; their 2025 values per room are $713,300 and $577,800, respectively.

In 2025, there has been a number of notable changes in the rankings among the 20 markets presented owing to the uneven distribution of economic impact from tariffs and federal government project investment across Canada. Each market ranking is discussed in the respective market section.

TABLE 1 — CANADIAN VALUE TREND (2005–2028P)

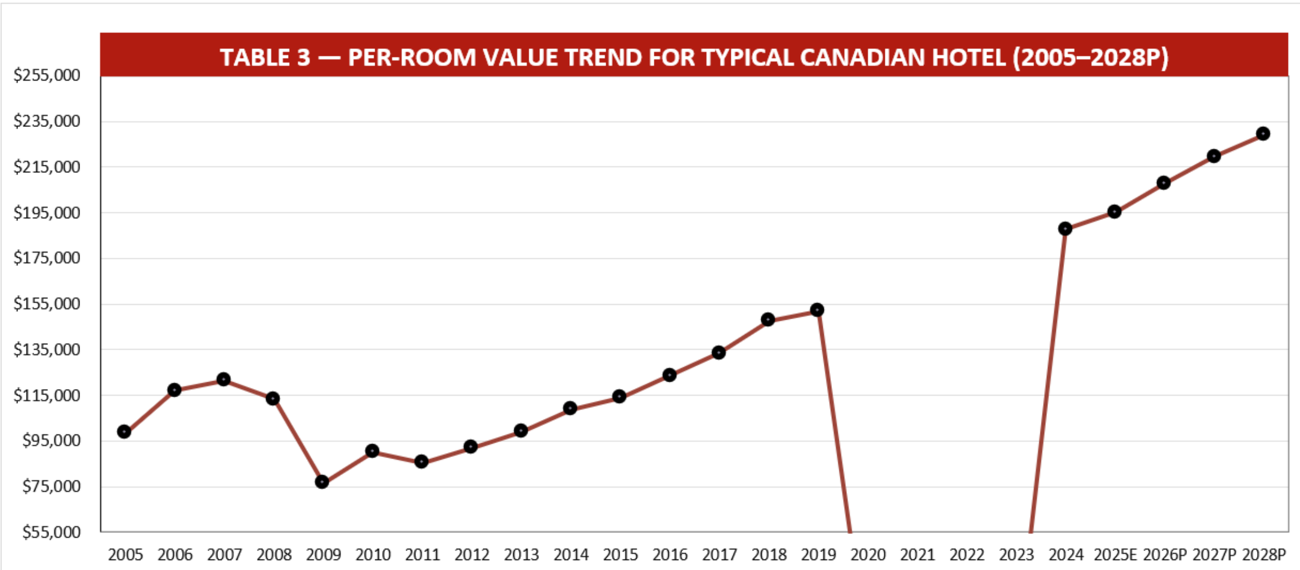
Year	Value Per Room	Percent Change
2005	$98,500	—
2006	116,900	18.7 %
2007	$121,400	3.8
2008	113,200	(6.8)
2009	$76,600	(32.3)
2010	90,100	17.6
2011	$85,400	(5.2)
2012	91,900	7.6
2013	$99,100	7.8
2014	108,900	9.9
2015	$114,000	4.7
2016	123,600	8.4
2017	$133,400	7.9
2018	147,600	10.6
2019	$151,900	2.9
2020	n/a	n/a
2021	n/a	n/a
2022	n/a	n/a
2023	n/a	n/a
2024	187,700	23.6
2025E	$195,200	4.0
2026P	207,900	6.5
2027P	$219,600	5.6
2028P	229,200	4.4

Source: HVS

TABLE 2 — VALUE PER ROOM RANKINGS (2024 VS. 2028P)

	2024	Value	2028P	Value	
Vancouver Downtown	**1**	673,000	**1**	837,300	=
Toronto Downtown	**2**	557,800	**2**	693,500	=
Vancouver Airport	**3**	328,100	**4**	415,700	↓
Victoria	**4**	307,500	**3**	432,900	↑
Toronto Airport West	**5**	271,200	**6**	307,300	↓
Montreal Downtown	**6**	271,100	**5**	353,500	↑
Niagara Falls	**7**	207,900	**11**	241,500	↓
Montreal Airport	**8**	201,600	**9**	245,900	↓
Halifax-Dartmouth	**9**	200,500	**8**	255,400	↑
Winnipeg	**10**	198,700	**12**	241,000	↓
Quebec City	**11**	194,100	**7**	262,600	↑
Ottawa-Gatineau	**12**	193,600	**10**	243,000	↑
Canada	**13**	187,700	**14**	229,200	↓
Calgary	**14**	152,600	**13**	240,700	↑
Prince Edward Island	**15**	141,800	**15**	195,600	=
Saskatoon	**16**	132,400	**16**	183,000	=
NewFoundland	**17**	128,200	**18**	168,300	↓
New Brunswick	**18**	120,300	**19**	153,400	↓
Edmonton	**19**	111,800	**17**	170,500	↑
Regina	**20**	101,100	**20**	132,200	=

Source: HVS



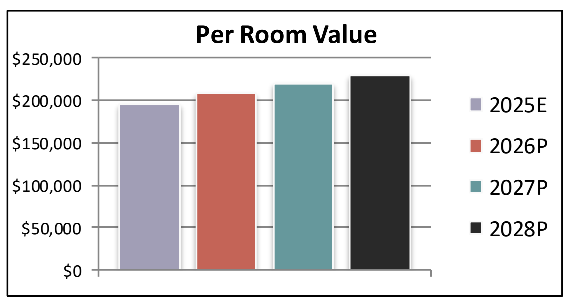
Source HVS

Table 4 — Canada Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$133,389	$147,592	$151,885	N/A	$187,686
y/y % Change	7.9%	10.6%	2.9%	N/A	23.6%
Index	1.35	1.50	1.54	N/A	1.91

Table 5 — Canada Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$195,214	$207,878	$219,551	$229,167
y/y % Change	4.0%	6.5%	5.6%	4.4%
Index	1.98	2.11	2.23	2.33
Rank	13	13	13	14



Source HVS

CALGARY is home to 1.6 million people and sits in the eastern foothills of Canada's Rocky Mountains. Calgary holds the title of the fifth-largest city in Canada and is the largest city in the province of Alberta. The city's economy is primarily driven by the oil and gas sector; however, financial services, the film industry, transportation and logistics, technology, manufacturing, retail, and tourism are also prominent sectors of the local economy.

Calgary is a gateway city for travellers who are bound for Banff and the Rocky Mountains. Known as the Stampede City, Calgary hosts the annual Calgary Stampede with an attendance of nearly 1.5 million people over the 10-day event each July.

Calgary is home to the corporate headquarters of more than 100 companies. The notable firms that are headquartered in Calgary include TC Energy Corporation, Suncor, Cenovus, Canadian Natural Resources, and Enbridge, as well as Canadian Pacific Railway.

The tourism and meetings sector remains a key area of focus for Calgary, supported by major infrastructure investments. The expanded BMO Centre, now offering more than one million square feet of space, has become the largest convention facility in Western Canada, significantly enhancing the city's capacity to host large-scale events. Calgary International Airport (YYC) continues to be one of Canada's busiest airports, having set a record 19 million passengers in 2024.

In addition, joint funding has been secured for Scotia Place, a new arena and events centre that will replace the aging Saddledome. Construction is underway, and the facility is scheduled to open in the fall of 2027, ahead of the 2027–28 NHL season.

Another notable large project in the city is the construction of the Calgary Green LRT. This $6.3-billion project is expected to be operational by 2031 and transport 55,000 people daily. The LRT will span 46 kilometres and 12 new stations, and feature 28 new light-rail vehicles.

In recent years, GDP growth in Calgary has outpaced that of the country, driven by strong employment gains and population growth of almost 6% in both 2023 and 2024. In 2025, the city's GDP is expected to grow by 1.8%, nearly double that of the country, and GDP growth through 2028 is expected to average 2.6% annually. Between 2025 and 2028, 376 new rooms are expected to enter the market; however, occupancy levels should continue to climb as meeting demand ramps up from the new BMO Centre.

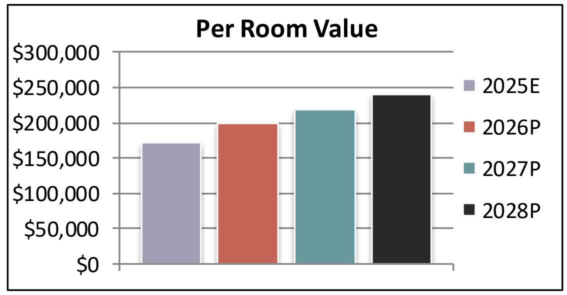
As demand, as well as interest in investing in the Calgary hotel market, has continued on an upward trajectory, the city's per-room value has increased at a strong pace. Calgary is projected to exceed the national average value per room in 2028 at $240,700 per room, reflecting an HVI value of 2.44.

Table 6 — Calgary Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$131,094	$135,498	$128,792	N/A	$152,595
y/y % Change	1.6%	3.4%	-4.9%	N/A	18.5%
Index	1.33	1.38	1.31	N/A	1.55

Table 7 — Calgary Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$172,017	$199,754	$219,326	$240,672
y/y % Change	12.7%	16.1%	9.8%	9.7%
Index	1.75	2.03	2.23	2.44
Rank	14	14	14	13



Source HVS

EDMONTON, the capital of Alberta, is the sixth-largest city in Canada with a population of 1.4 million. Edmonton is a hub for activity in the North. The economy has benefitted from oil projects in Alberta, and it is heavily reliant on the oil and gas industry. This impacts other sectors, including wholesale and retail trade, manufacturing, and construction. The provincial government and educational institutions also support the local economy.

Construction in Edmonton has been rebounding in 2025, with Dow Chemicals, the Winspear Centre, and large-scale residential developments all generating activity. This construction momentum is expected to accelerate from 2026 through 2028.

Although not to the same degree as Calgary, Edmonton's economy is expected to see GDP growth above the national average in the coming years, supported by increased capital spending in the resource sector and continued population growth. The Conference Board of Canada projects GDP growth for 2025 at 1.4%, with stronger average annual growth of 2.7% from 2026 through 2028. A focus on domestic oil needs and major nation-building capital projects, including pipelines, would benefit Edmonton while creating economic security.

Prior to the pandemic, hotel demand was soft in the Edmonton market; this was largely due to the oil crisis in 2015 and 2016, which caused significant economic contractions. Since 2021, this market has seen positive demand growth and investment interest, resulting in an increase in the value per room. Between 2025 and 2028, no new supply is expected to enter the market, allowing the market to continue to build occupancy and increase average room rates.

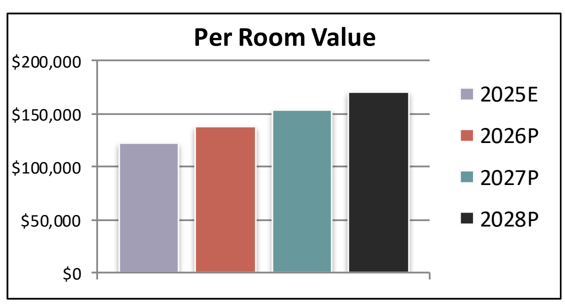
A 9.4% increase in per-room value is projected for 2025, which is significantly higher than the average national growth, and double-digit increases are projected through to 2028. With its low average room rate, Edmonton holds the nineteenth position among the 20 markets under comparison, but it is projected to move up to seventeenth position by 2028, although it will nonetheless retain one of the lower per-room values among the Canadian markets. By 2028, the per-room value in this market is projected to reach $170,500, with an HVI value of 1.73.

Table 8 — Edmonton Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$107,996	$110,157	$96,362	N/A	$111,772
y/y % Change	-1.7%	2.0%	-12.5%	N/A	16.0%
Index	1.10	1.12	0.98	N/A	1.13

Table 9 — Edmonton Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$122,263	$137,725	$153,418	$170,512
y/y % Change	9.4%	12.6%	11.4%	11.1%
Index	1.24	1.40	1.56	1.73
Rank	19	18	18	17



Source HVS

HALIFAX–DARTMOUTH is the capital of Nova Scotia, a major economic and cultural centre in Eastern Canada, housing the largest concentration of government services in Atlantic Canada. In 1996, the Halifax Regional Municipality (HRM) was formed through amalgamation the cities of Halifax and Dartmouth, the town of Bedford, and Halifax County. The current population of the HRM is 527,000.

The major projects in Halifax include the $60-billion Irving Shipbuilding project (2022–2027) and the multi-billion-dollar Queen Elizabeth II Health Sciences Centre redevelopment. These projects are expected to support stronger GDP growth in 2025 and beyond. The city's GDP is projected to grow at an average annual rate of 1.9% between 2024 and 2028, slightly below the comparable projected national average of 2.0%. This slower growth is due to increased prices and higher interest rates. The goods-producing sectors, as well construction, have been slowing down.

The unemployment rate was 5.5% in 2024, up from 5.1% in 2022; the increase was partially due to population growth from immigration, which was being encouraged to help address the challenges arising from the aging population. As population growth slows down, the unemployment rate should drop; it is projected to reach 5.3% in 2028.

Sixty new rooms are expected to enter the Halifax market between 2025 and 2028. Before the pandemic, the economic outlook for Halifax was healthy; the ADR had been rising steadily since 2014. This trend has continued in the post-pandemic period, showing steady growth in ADR. The projection for the 2025-to-2028 period indicates steady growth in both occupancy and ADR.

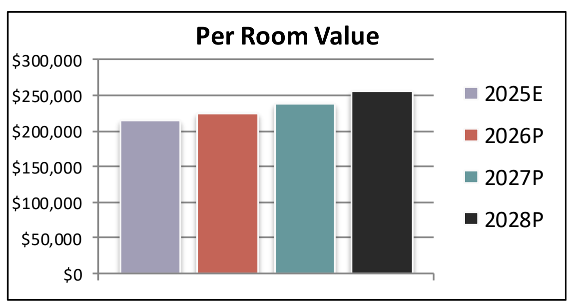
Steady growth is projected for the per-room value over the next few years, reaching $255,400 by 2028. Halifax–Dartmouth is expected to fall from seventh to eighth position in 2028 as Quebec City moves up one place.

Table 10 — Halifax-Dartmouth Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$149,160	$157,763	$157,649	N/A	$200,493
y/y % Change	21.5%	5.8%	-0.1%	N/A	27.2%
Index	1.51	1.60	1.60	N/A	2.04

Table 11 — Halifax Dartmouth Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$213,857	$223,783	$239,130	$255,409
y/y % Change	6.7%	4.6%	6.9%	6.8%
Index	2.17	2.27	2.43	2.59
Rank	7	8	8	8



Source HVS

The **MONTREAL AIRPORT** market is centered on Pierre Elliott Trudeau International Airport (YUL), which is a major passenger and cargo hub in Dorval, Quebec, about 20 kilometres from Downtown Montreal. In 2024, YUL registered 22,400,000 passengers. This airport is one of the few in Canada to have surpassed the number of passengers recorded before the pandemic.

Between 2025 and 2028, 685 new rooms are expected to enter the Montreal Airport market. In 2025, this market is expected to sustain a significant 12.8% drop in RevPAR year-over-year because of the return of room inventory that had been occupied by Immigration Canada government contracts; the return of these rooms to circulation within the market is putting downward pressure on occupancy. This inventory is projected to be absorbed, and market demand is projected to rebound from 2026 to 2028. Many hotels must ramp their operations back up to capture new transient, group, and corporate demand after having accommodated government demand for a number of years.

The notable new supply in the market is also adding to the soft occupancy performance. Meanwhile, ADR has significantly increased since the pandemic, and as a result the RevPAR for the market far exceeds pre-pandemic levels.

The Montreal Airport market experienced a significant growth in value over the past decade. The per-room value for the market increased from $75,900 in 2005 to $201,600 in 2024, reflecting average annual compounded growth well above 5.0%. This year, the per-room value is projected to stagnate temporarily as the market finds a new equilibrium.

The Montreal Airport market is expected to benefit from the addition of a new REM train station, and the airport is undergoing major infrastructure and renovations to expand the capacity to 35 million passengers. In addition, a secondary airport on the South Shore in St. Hubert is being expanded and will begin offering domestic flights in 2026; this airport is projected to accommodate four million passengers by 2028.

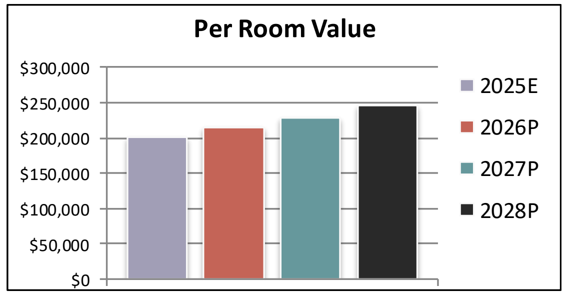
In the short term, the Montreal Airport market is not expected to reach the market values of the Vancouver Airport and Toronto Airport markets, which are expected to rank fourth and sixth overall in 2028, with per-room values of $415,700 and $307,300, respectively. The Montreal Airport market is expected to rank ninth in 2028 with the per-room value at $245,900 and an HVI value of 2.50.

Table 12 — Montreal Airport Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$126,526	$149,872	$164,861	N/A	$201,637
y/y % Change	31.4%	18.5%	10.0%	N/A	22.3%
Index	1.28	1.52	1.67	N/A	2.05

Table 13 — Montreal Airport Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$201,787	$214,071	$229,409	$245,912
y/y % Change	0.1%	6.1%	7.2%	7.2%
Index	2.05	2.17	2.33	2.50
Rank	12	12	10	9



Source HVS

MONTREAL DOWNTOWN has a diverse economy that ranges from creative industries to aerospace, technology, and commerce. Known for its cultural vibrancy and rich heritage, the city also stands as a pivotal centre for education and research, as it houses prestigious academic institutions that foster innovation and economic development. Furthermore, Montreal plays a key role in the video game and digital entertainment industry, drawing talent and investments from around the globe.

Montreal’s real GDP grew by 1.0% in 2024, matching the provincial growth rate. From 2025 onward, the city is projected to outpace the province in GDP growth. Growth is projected at 1.5% in 2025 and at an annual average rate of 2.0% from 2026 to 2028. Montreal’s manufacturing sector faces risks from US tariffs, which may leave certain manufacturers no choice financially but to relocate to the US. Service-producing industries grew by 1.6% in 2024, with healthcare and education seeing the strongest gains.

Montreal's population grew by 2.7% in 2024; however, growth is expected to slow in response to new federal and provincial restrictions on immigration. The population is now projected to grow at an average annual rate of just 0.3% from 2025 to 2028. The unemployment rate rose to 6.3% in 2024 but is projected to fall to 4.7% by 2028. The number of jobs in the goods and services sector, including retail trade, is falling; however, the number of jobs in healthcare and the professional, scientific, and technical services sector has registered slight growth and is projected to expand steadily through 2028.

From 2025 to 2028, 796 rooms are expected to enter the Montreal Downtown market. In 2025, the market is expected to finish with a 2-percentage-point decline in occupancy. This period nonetheless reflects a strong rebound in the market, as hoteliers have put an emphasis on rate integrity; the market-wide ADR is expected to grow 5.0% by the end of 2025, albeit with slightly lower occupancy. Montreal has always had a lower average room rate than Toronto and Vancouver, and hoteliers are trying to close this gap with the recent entrance of new, significantly higher quality independent and branded supply.

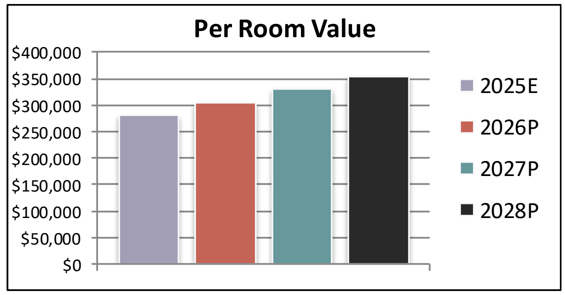
The per-room value for Montreal Downtown has increased significantly since 2019, primarily because of the rise in ADR. For 2025, the HVI is estimated to be 2.86, and the per-room value is projected to reach $282,100, reflecting substantial year-over-year growth. The ranking of Downtown Montreal is expected to remain stable in fifth position throughout the projection period, with an HVI of 3.59 in 2028.

Table 14 — Montreal Downtown Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$159,101	$180,331	$213,288	N/A	$271,060
y/y % Change	26.1%	13.3%	18.3%	N/A	27.1%
Index	1.62	1.83	2.17	N/A	2.75

Table 15 — Montreal Downtown Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$282,061	$304,941	$330,685	$353,504
y/y % Change	4.1%	8.1%	8.4%	6.9%
Index	2.86	3.10	3.36	3.59
Rank	5	5	5	5



Source HVS

NEW BRUNSWICK, Canada's largest Maritime Province, is home to 838,142 people. Its main urban centres—Fredericton, Saint John, and Moncton—include government services, education, heavy industry and ports, commerce, and transportation as their main economic sectors. Petroleum refining, public transportation, and copper, zinc, and lead refining are the largest industries by revenue in New Brunswick. Forestry, fisheries and aquaculture, oil and gas, mining, and agriculture are all major contributors to the provincial economy.

In 2024, the provincial GDP grew by 1.8%. From 2025 to 2027, steady GDP growth of about 2.0% per year is anticipated. Labour shortages remain a primary concern for New Brunswick because the population is aging, and this challenge is compounded by the trend of graduates seeking job opportunities in larger urban centres elsewhere in Canada. The Conference Board of Canada projects the unemployment rate for the province to remain stable until 2027, with a gradual decline to 7.0% in 2028. The unemployment rate for New Brunswick tends to be 2 points above the national average, a trend that is expected to persist.

Between 2025 and 2028, 270 rooms are expected to enter the New Brunswick market. Before the pandemic, the per-room value for the province had finally crossed the $100,000 mark, reaching $101,800 in 2019. In 2025, the value per key is expected increase at a strong rate of 6.9%, and it is projected to reach $153,400 in 2028.

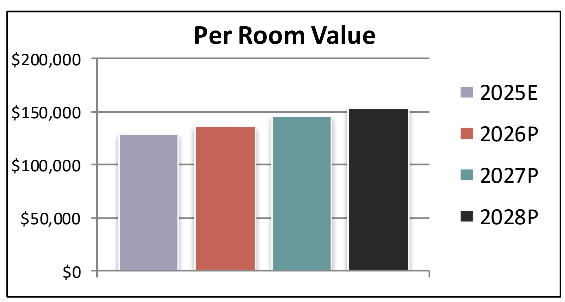
The New Brunswick lodging market ranks eighteenth in 2025 but is projected be in nineteenth position in 2028. Some of the markets in Western Canada are showing strength, and Edmonton is expected to nudge ahead of New Brunswick in the ranking.

Table 16 — New Brunswick Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$91,644	$100,706	$101,806	N/A	$120,295
y/y % Change	13.3%	9.9%	1.1%	N/A	18.2%
Index	0.93	1.02	1.03	N/A	1.22

Table 17 — New Brunswick Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$128,593	$136,795	$145,339	$153,375
y/y % Change	6.9%	6.4%	6.2%	5.5%
Index	1.31	1.39	1.48	1.56
Rank	18	19	19	19



Source HVS

NEWFOUNDLAND AND LABRADOR'S produces 12% of Canada's conventional light crude from four offshore production facilities: Hibernia, Terra Nova, White Rose, and Hebron. Business investment forecasts are optimimistic as many companies are moving forward with their projects. Construction is wrapping up at the Muskrat Falls hydroelectric project, and real business investment looks bright. New investments in the expansion of the Voisey's Bay Mine in Labrador and increasing production at the Hebron offshore oil field will help the provincial economy grow this year. Because of the increase in oil production, real GDP growth is projected to finish 2025 at 2.1%.

The lodging market has shown strong recovery from the pandemic, supported by demand from Immigration Canada government contracts. Occupancy is projected to fall slightly in 2025 and gradually increase by 2028 as the market absorbs a small amount of new supply. Between 2025 and 2028, 158 rooms are expected to enter the market.

The Newfoundland and Labrador market experienced a decline in per-room value from 2014 to 2019. This market is very dependent on natural resources and follows the same demand trends as Western Canadian provinces that are oil dependent. The ADR is growing slowly, and occupancy is holding steady as tourism in Newfoundland is on the rise.

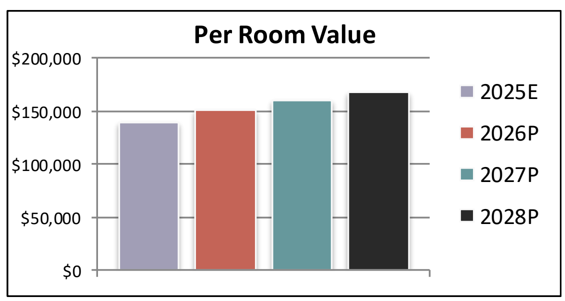
The per-room value is now projected to continue trending upward, reaching $139,200 in 2025 and $168,300 in 2028. The HVI is projected to reflect this positive trend, rising steadily from 1.41 in 2025 to 1.71 in 2028. The province is expected to be in eighteenth position in 2028.

Table 18 — Newfoundland Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$123,309	$97,751	$94,632	N/A	$128,228
y/y % Change	-1.0%	-20.7%	-3.2%	N/A	35.5%
Index	1.25	0.99	0.96	N/A	1.30

Table 19 — Newfoundland Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$139,205	$151,142	$159,725	$168,288
y/y % Change	8.6%	8.6%	5.7%	5.4%
Index	1.41	1.53	1.62	1.71
Rank	17	17	17	18



Source HVS

NIAGARA FALLS REGION, the honeymoon capital of Canada, is situated in Southeastern Ontario near the US border; its grand attraction is the Horseshoe Falls. The population of Niagara Falls was 105,350 in 2024.

Because of the proximity to Toronto and the US border, Niagara Falls sees nearly 14 million visitors every year. After years of pent-up travel demand during the pandemic, the region experienced a normalization of leisure demand in 2024 as the discretionary spending of Canadians decreased. Government contracts that were in place to temporarily house new immigrants to Canada also came to an end, causing a decline in hotel demand in both 2024 and 2025.

Given the proximity of Niagara Falls to the US border, the strained trade relationship between Canada and the US, along with the resulting economic uncertainty, is negatively affecting visitation. This market also depends heavily on leisure demand, which tends to be impacted first during periods of economic volatility given the discretionary nature of leisure travel. Overall, the decline in US visitation, combined with the slow recovery of international tour bus demand, has contributed to the recent softness in market performance.

Between 2025 and 2028, 1,300 hotel rooms are proposed for development in the Niagara Falls market. How many of these projects will ultimately materialize remains uncertain given the region's history of dormant developments, but the overall sentiment toward new hotel construction in Niagara Falls remains positive, supported in part by the new hotel gaming licences that OLG is expected to issue. Moreover, this projection does not include some large projects, representing 1,000 rooms in total, planned by developers for 2029 and 2030.

The Niagara Falls market experienced robust year-over-year growth in per-room value up until 2019, with an average annual increase of 9.9% from $90,400 in 2005 to $207,900 in 2024.

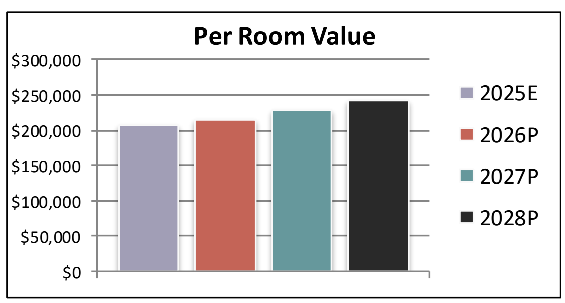
The ranking of the Niagara Falls lodging market is expected to fluctuate over the next few years. The market is projected to finish 2025 in ninth position and be in eleventh spot in 2028 with an HVI of 2.45.

Table 20 — Niagara Falls Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$131,027	$148,056	$150,443	N/A	$207,898
y/y % Change	9.0%	13.0%	1.6%	N/A	38.2%
Index	1.33	1.50	1.53	N/A	2.11

Table 21 — Niagara Falls Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$207,886	$215,506	$228,108	$241,531
y/y % Change	0.0%	3.7%	5.8%	5.9%
Index	2.11	2.19	2.32	2.45
Rank	9	10	12	11



Source HVS

OTTAWA–GATINEAU is Canada's Capital Region. With a combined population of 1,488,307, Ottawa–Gatineau is the fourth-largest city in Canada. The key industries are public administration, technology, healthcare, and tourism. The region acts as a political and administrative centre for federal departments and agencies. The area is also a major hub for the tech and education sectors.

Ottawa experienced modest economic growth in 2022 and 2023, but growth decelerated in 2024 because government workers were not required to return to the office and major international conferences had not returned to the market. Economic growth in Ottawa is being supported by several major development projects, including the $336-million Ādisōke library, which will open in 2026; the ongoing LRT development; and the new $2.8-billion Ottawa Hospital campus near Dow's Lake, which begun construction in early 2024.

Ottawa–Gatineau's labour market revived in the second half of 2024. After shedding 17,700 jobs in the first half of the year, the area recovered 16,400 in the final six months. The area's unemployment rate was 6.5% in 2024, and the unemployment rate is projected to decline to 5.6% by the end of 2025. The city's real GDP is projected to grow at an average annual rate of 2.2% from 2025 to 2028.

The city's diversified economy and ongoing development projects are poised to support steady economic growth in the coming years. Strong net interprovincial in-migration, driven by the return to in-person work, has further bolstered population growth.

Between 2025 and 2028, 1,718 rooms are expected to enter the Ottawa–Gatineau market. More than 1,000 of these rooms are slated to open in 2026 and 2027. The Ottawa–Gatineau market has not returned to its pre-pandemic strength, mainly because the mandate returning government workers to the office has not yet been in place for a full year. While ADR and RevPAR have been growing steadily, occupancy remains soft.

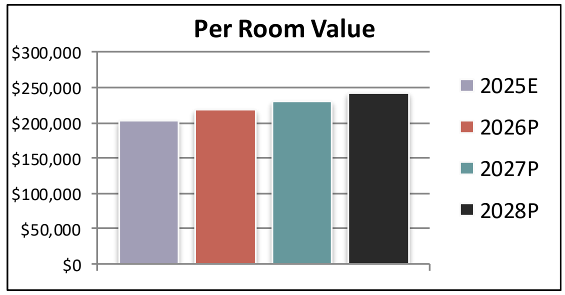
The market experienced steady growth in per-room value and peaked in pre pandemic in 2018, reaching an index value of 1.74. In 2025, the value per room for Ottawa–Gatineau is projected to surpass $200,000 and reach $203,400, reflecting a 5.1% increase from 2024. Ottawa–Gatineau is expected to finish 2028 in tenth position at $243,000 per room, climbing up from eleventh place in 2025.

Table 22 — Ottawa-Gatineau Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$159,683	$171,816	$169,180	N/A	$193,612
y/y % Change	19.2%	7.6%	-1.5%	N/A	14.4%
Index	1.62	1.74	1.72	N/A	1.97

Table 23 — Ottawa-Gatineau Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$203,431	$218,685	$229,493	$242,991
y/y % Change	5.1%	7.5%	4.9%	5.9%
Index	2.07	2.22	2.33	2.47
Rank	11	9	9	10



Source HVS

PRINCE EDWARD ISLAND Canada's smallest province with only 5,700 square kilometres, has a population of 180,070, making it the most densely populated province in Canada.

The major industries in PEI are bioscience, renewable energy, information and communication, aerospace and defence, agriculture, fisheries, manufacturing, and tourism. The economy of PEI has been on a healthy growth trajectory since 2020. The provincial real GDP is expected to grow by 1.7% in 2025, reflecting a moderation from the strong growth of 3.6% registered in 2024.

Various major capital investments are supporting economic growth in PEI. Over the next ten years, there will be $91.7 million invested into the PEI school system. In addition, more than $88.5 million is being put into the healthcare system over the next four years, encompassing various projects. Another major development in PEI is the rapid increase in home-building activity.

The PEI government is investing in the modernization of the island. New cell towers will be built to fill in the service gaps, and a self-service portal is being developed to create a central online hub for government services, offering residents easy access to timely and important information. These initiatives are all efforts to keep up with the growing demand for services in PEI.

PEI's unemployment rate was 8.2% as of May 2025, which reflects a 0.9% increase from May 2024.

In 2023, the market-wide RevPAR surpassed pre-pandemic levels, supported by strong tourism activity. There was a drop in 2024 reflecting normalization, and in 2025, with Canadian "elbows up" domestic travel resilience, the RevPAR is expected to increase significantly, by 11.7%, mainly because of increased ADR. Steady growth is projected for the remainder of the projection period. Between 2025 and 2028, 170 rooms are expected to enter the PEI market.

The per-room value for the Prince Edward Island market is projected to increase over the next few years. From $162,900 in 2025, the per-room value is projected to rise to $195,600 by 2028. The index value reflects this upward trend with an increase from 1.65 in 2025 to 1.99 in 2028.

Prince Edward Island is projected to remain in fifteenth position through 2028. The market is growing, but other markets are expanding at a comparable pace, leaving its relative rank unchanged.

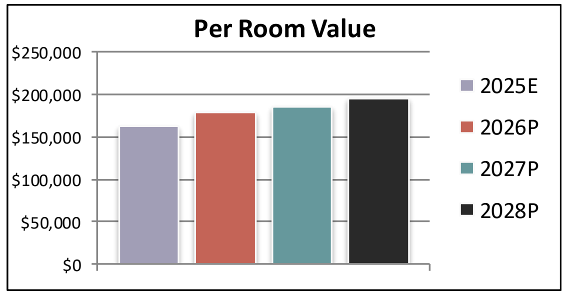
It should be noted that the PEI market was only included in the HVI as of 2024.

Table 24 — Prince Edward Island Values (2024)

				2020-2023	2024
Per Room Value	N/A	N/A	N/A	N/A	$141,826
y/y % Change	N/A	N/A	N/A	N/A	N/A
Index	N/A	N/A	N/A	N/A	1.44

Table 25 — Prince Edward Island Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$162,898	$178,946	$185,058	$195,582
y/y % Change	14.9%	9.9%	3.4%	5.7%
Index	1.65	1.82	1.88	1.99
Rank	15	15	15	15



Source HVS

QUEBEC CITY with a population of 593,000, is the capital of the province of Quebec. Quebec City is the oldest city in Canada and boasts a strong tourism economy. It is also a growing hub for technology and innovation, featuring a significant network of research institutions and a skilled workforce. As the home of Laval University and the University of Quebec, the city also has a reputation as a centre for learning and research.

Economic uncertainty and Quebec's dependence on US trade and tourism are limiting the potential for employment growth. Limited job creation in various industries, coupled with limited immigration, will keep unemployment low. The unemployment rate in Quebec City is projected to remain low, averaging 2.8% from 2025 to 2028, which is below the projected provincial and national averages.

Quebec City's real GDP is projected to grow at an average annual rate of 1.5% from 2025 to 2029, which is slightly below the projected growth at the provincial level. Quebec City has very much benefitted from domestic tourism and the "elbows up" mentality, which has boosted the city's tourism appeal, supporting growth in both occupancy and ADR.

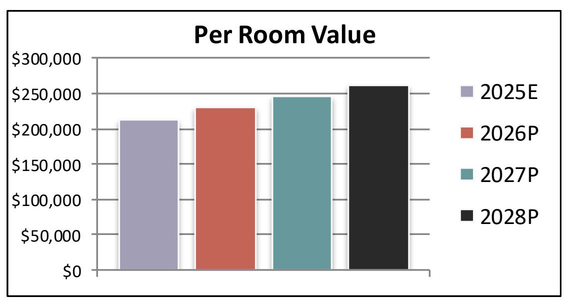
Between 2025 and 2028, 414 new rooms are expected to enter the Quebec City market, which is notable. For 2025, the per-room value is projected to increase by 9.9% compared to 2024. The sharp increase in ADR is driving RevPAR growth. The per-room value is projected to continue increasing at a healthy pace, reaching $262,600 in 2028. In terms of ranking, Quebec City is projected to finish 2028 in seventh position, with an HVI of 2.67.

Table 26 — Quebec City Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$133,855	$152,044	$164,756	N/A	$194,051
y/y % Change	21.6%	13.6%	8.4%	N/A	17.8%
Index	1.36	1.54	1.67	N/A	1.97

Table 27 — Quebec City Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$213,258	$229,865	$245,968	$262,634
y/y % Change	9.9%	7.8%	7.0%	6.8%
Index	2.17	2.33	2.50	2.67
Rank	8	7	7	7



Source HVS

REGINA, the capital of Saskatchewan, is in the south-central area of the province. With a population of 280,000, Regina is the second-largest city in the province, after Saskatoon. Regina has a resource-based economy founded primarily on agriculture and oil and gas production.

From the early 2000s until 2014, Regina sustained relatively strong GDP growth. With the weakening of natural resource prices, Regina's GDP contracted in 2015; this was the first time in 20 years that the city's GDP fell below the level of the preceding year. Little growth was noted until 2018 when the city once again registered an uptick in GDP.

The major industries in the capital city are government services at the municipal, provincial, and federal levels; agriculture and food production; energy (including oil, gas, and renewable energy); manufacturing; and information technology. Financial services and tourism are also important sectors.

As a major service hub in the province, Regina has a strong presence in retail, accommodation, and related sectors. For 2025, the Conference Board of Canada projects the unemployment rate in Regina to be 5.3%, well below the national average of 6.7%. GDP growth in Regina is expected to outpace the national average at 1.3% in 2025, with average annual growth of 2.3% from 2026 through 2028.

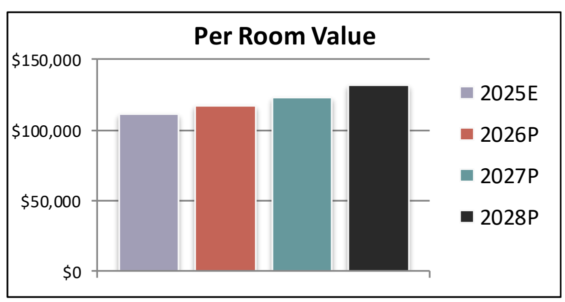
Between 2025 and 2028, no new rooms are expected to be added to the Regina market. In 2024, the HVI value finally exceeded 1.00 (the first time since 2016), and it is expected to increase to 1.34 in 2028, reflecting a per-room value of $132,200. Regina is expected to remain at the bottom of the rankings, holding the twentieth position throughout the projection period, albeit with healthy growth in the HVI value.

Table 28 — Regina Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$90,450	$95,769	$91,888	N/A	$101,080
y/y % Change	-23.5%	5.9%	-4.1%	N/A	10.0%
Index	0.92	0.97	0.93	N/A	1.03

Table 29 — Regina Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$111,242	$117,093	$123,196	$132,204
y/y % Change	10.1%	5.3%	5.2%	7.3%
Index	1.13	1.19	1.25	1.34
Rank	20	20	20	20



Source HVS

SASKATOON the largest city in Saskatchewan, is located on the banks of the South Saskatchewan River in the heart of the Canadian Prairies. Saskatoon is centrally located in the province; it is 300 kilometres north of the US border, 225 kilometres east of Alberta, and 345 kilometres west of Manitoba.

The economy of Saskatoon is built on agriculture, mining, biotechnology, and construction. The city has excellent road, rail, and air connections to Western Canada and the Midwestern United States. Saskatoon is located at the junction of two of Canada's major highway systems: the Yellowhead Highway (Highway 16) and Highway 11, joining the US Interstate system through border crossings that serve both eastern and western states.

Saskatoon's GDP grew by 3.4% between 2023 and 2024; this is more than double the national average of 1.6%. Many sectors contributed to this growth, including construction, up 13.2%; agriculture, forestry, fishing, and hunting, up 7.8%; and mining, quarrying, and oil and gas extraction, up 5.6%. In addition, private capital investment grew by 17.3% to $14.7 billion, which places first among the provinces. Private capital investment is projected to reach $16.2 billion by the end of 2025, which is a 10.1% increase over 2024.

Between 2025 and 2028, no rooms or new hotels are expected to be added to the market. In 2025, ADR growth has yielded a significant increase in RevPAR, bolstering the per-room value by almost $20,000. Growth is projected to slow down but stay on a very positive trajectory through to 2028.

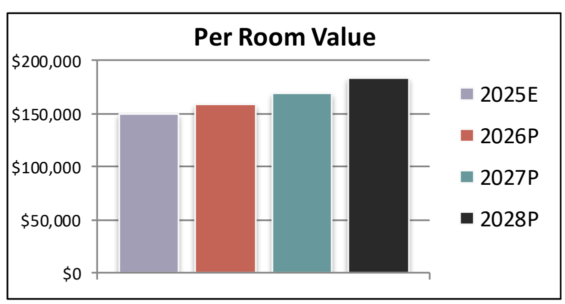
The HVI for Saskatoon is projected to reach a healthy value of 1.52 in 2025 and rise to 1.86 in 2028. The per-room value is projected to continue rising, reaching $183,000 by 2028. Saskatoon is expected to remain stable in sixteenth position through 2028.

Table 30 — Saskatoon Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$101,902	$104,441	$104,584	N/A	$132,352
y/y % Change	-10.1%	2.5%	0.1%	N/A	26.6%
Index	1.03	1.06	1.06	N/A	1.34

Table 31 — Saskatoon Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$150,078	$159,473	$169,234	$182,976
y/y % Change	13.4%	6.3%	6.1%	8.1%
Index	1.52	1.62	1.72	1.86
Rank	16	16	16	16



Source HVS

The **TORONTO AIRPORT WEST** market is in Mississauga and centered on Toronto Pearson International Airport (YYZ), which is the primary airport for the Golden Horseshoe. YYZ is the largest and busiest airport in Canada and located within Canada's largest urbanized area. In 2024, Toronto Pearson International Airport accommodated 46.8 million passengers. The passenger count has yet to reach the pre-pandemic level of 50.5 million set in 2019.

Toronto Pearson currently offers non-stop service to 192 destinations in 68 countries, including 33 domestic non-stop routes. Among the major carriers at the airport are Air Canada, WestJet, and Air Transat. The Toronto Airport West market is home to many Fortune 500 companies. Given the trade conflict with the US, however, these companies have reduced their travel activity, resulting in a decline in demand for this market.

The area remains a prime target for hotel development, supported by its diverse demand base and proximity to Toronto. Between 2025 and 2028, 1,437 rooms are expected to enter the Toronto Airport West market.

The per-room value for this market is projected to reach $307,300 in 2028, raising the HVI value to 3.12, which is the second-highest index for an airport market in Canada, after the Vancouver Airport market.

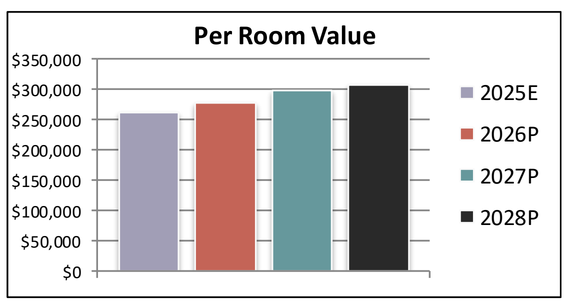
Toronto Airport West, which was in fifth position in 2024, is expected to fall to sixth place in 2025 and remain there through 2028, as Montreal Downtown nudges up one place.

Table 32 — Toronto Airport West Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$145,393	$182,089	$202,096	N/A	$271,241
y/y % Change	23.6%	25.2%	11.0%	N/A	34.2%
Index	1.48	1.85	2.05	N/A	2.75

Table 33 — Toronto Airport West Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$262,701	$277,198	$298,148	$307,319
y/y % Change	-3.1%	5.5%	7.6%	3.1%
Index	2.67	2.81	3.03	3.12
Rank	6	6	6	6



Source HVS

TORONTO DOWNTOWN is the heart of Toronto, which is the capital of Ontario and the largest city in Canada. More than 6 million people live in the Greater Toronto Area (GTA). Toronto's economy is driven by many different sectors, including finance, technology, healthcare, and tourism. The city is home to major banking headquarters for the "Big Five": BMO, Scotiabank, CIBC, RBC, and TD Bank. It is also home to major corporate headquarters for such companies as Google, IBM, Microsoft, Amazon, Apple, Magna, General Motors, PayPal, and Deloitte. A thriving tech industry and world-renowned academic institutions also make major contributions to the Toronto economy.

Toronto is a popular destination for new immigrants, and population growth continues to support the growth of Toronto's economy. Toronto also has a thriving arts, sports, and entertainment scene.

The US tariffs are putting stress on trade-dependent manufacturers, including those making transportation equipment, food and beverages, and machinery. The real GDP in Toronto is projected to grow by 1.1% in 2025, which is higher than the national and provincial projected levels. The FIFA Men's World Cup games that Toronto is scheduled to host next year are expected to not only temporarily boost hotel demand and ADR in 2026, but also create a lasting legacy effect for the city's tourism sector, as has been observed in other international host destinations.

Given the high cost of land and construction, this market presents high barriers to entry for hoteliers. As a result, the market is experiencing a slight compression in cap rates and therefore upward pressure on hotel values.

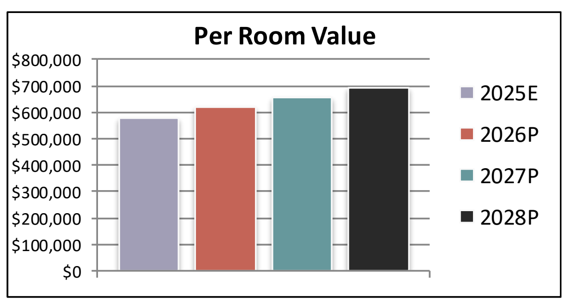
Between 2025 and 2028, 1,967 rooms are projected to enter the market. The per-room value is projected to reach $693,500 by 2028. The ranking for this market is projected to remain stable through 2028, when the HVI value is projected to reach 7.04, making Toronto Downtown the second-most-valuable market in the country, just behind Vancouver Downtown.

Table 34 — Toronto Downtown Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$287,421	$352,866	$389,039	N/A	$557,849
y/y % Change	27.2%	22.8%	10.3%	N/A	43.4%
Index	2.92	3.58	3.95	N/A	5.66

Table 35 — Toronto Downtown Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$577,764	$618,406	$654,291	$693,491
y/y % Change	3.6%	7.0%	5.8%	6.0%
Index	5.87	6.28	6.64	7.04
Rank	2	2	2	2



Source HVS

The **VANCOUVER AIRPORT** market in Richmond is centered on Vancouver International Airport (YVR), located just south of the city of Vancouver. The airport registered 26 million passengers in 2024, making it the second-busiest airport in Canada. Over the past 15 years, Skytrax has named YVR the best airport in North America 13 times.

Historically, the Vancouver Airport market maintained some the highest occupancy rates in Canada, peaking at more than 80% before the pandemic. Although ADR and RevPAR are now reaching new highs, occupancy on an annual basis has yet to move past the 80% ceiling since the disruption from the pandemic.

Demand continues to grow across the market, but a modest correction in ADR is anticipated in 2025. This reflects the normalization of prices following a sharp spike in December 2024 driven by the three Taylor Swift Eras Tour concert dates.

Between 2025 and 2028, 1,044 rooms are scheduled to enter the Vancouver Airport market. Most of these rooms are slated to enter the market in 2027, representing a 12.2% increase over 2026.

The Vancouver Airport market is expected to finish 2025 with a per-key value of $348,900, which represents a 6.3% increase from 2024. Healthy growth is projected to continue, and the per-room value is projected to reach $415,700 in 2028.

The Vancouver Airport market is expected to finish 2025 in third position; however, it is expected to drop to fourth position in 2028 because the anticipated new supply will put a damper on the per-key value, and Victoria is projected to take over third place.

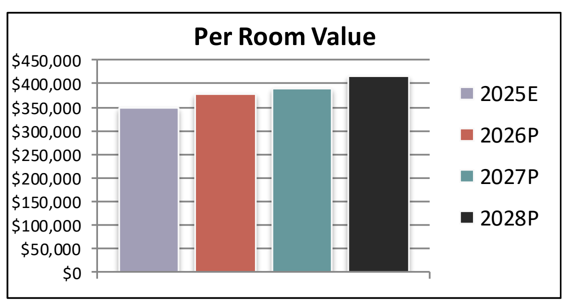
The Vancouver Airport market remains the highest-ranked airport market in the country, higher than both the Toronto and the Montreal airport markets. The HVI value is projected to increase from 3.54 in 2025 to 4.22 in 2028.

Table 36 — Vancouver Airport Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$206,700	$238,146	$269,663	N/A	$328,061
y/y % Change	21.9%	15.2%	13.2%	N/A	21.7%
Index	2.10	2.42	2.74	N/A	3.33

Table 37 — Vancouver Airport Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$348,878	$376,524	$390,637	$415,720
y/y % Change	6.3%	7.9%	3.7%	6.4%
Index	3.54	3.82	3.97	4.22
Rank	3	3	4	4



Source HVS

VANCOUVER DOWNTOWN lies at the heart of the largest city in British Columbia. Vancouver, a major city in Canada, is a popular tourist destination. Large international events, starting with Expo 86, have pushed infrastructure development in the city. The 2010 Winter Olympics in particular put Vancouver on the international stage. With more 11 million tourists annually, tourism is one of the city's top-performing sectors, contributing billions of dollars to the local economy every year.

Vancouver is also home to many major companies, including Amazon, Microsoft, SAP, and Hootsuite, making it a strong tech city. It is also a significant hub for AI, biotech, gaming, film, and TV production. The biggest challenge that Vancouver faces is affordability, as it has the highest real estate prices in Canada. Young people have difficulty moving to Vancouver even if there are employment opportunities given the high cost of real estate and rental housing.

Growth is expected to continue in 2025, fuelled by key sectors, including technology, trade, tourism, and real estate. Slowing population growth is putting a damper on economic growth in the city, with slower population growth projected in 2026.

Before the pandemic, the per-room value experienced double-digit growth for three consecutive years, reaching $469,300 in 2019, reflecting an HVI of 4.76. Between 2025 and 2028, 590 new rooms are expected to enter the Vancouver Downtown market.

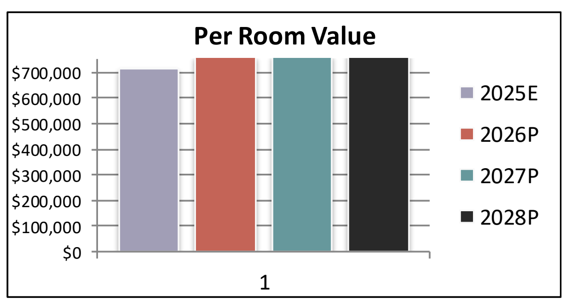
The outlook for the Vancouver Downtown lodging market is very positive. Limited new supply will result in compression and continued growth. In 2025, the value per room is expected to increase by 6.0% year-over-year, and it is projected to eventually reach $837,300 in 2028, which translates into an HVI value of 8.50, the highest in the country. Vancouver Downtown is projected to retain its leading position in rank and index through 2028.

Table 38 — Vancouver Downtown Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$345,669	$427,269	$469,295	N/A	$673,019
y/y % Change	19.7%	23.6%	9.8%	N/A	43.4%
Index	3.51	4.34	4.76	N/A	6.83

Table 39 — Vancouver Downtown Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$713,325	$762,040	$770,217	$837,324
y/y % Change	6.0%	6.8%	1.1%	8.7%
Index	7.24	7.74	7.82	8.50
Rank	1	1	1	1



Source HVS

VICTORIA, the capital of British Columbia, is located on the southern tip of Vancouver Island and had a population of 447,000 in 2024. With its mild climate, abundant parkland, and Victorian architecture, Victoria is known for outdoor activities and sightseeing.

The major industries in the city are education, marine industries, construction, healthcare, retail, agriculture, tourism, and public services, including provincial public administration and the Department of National Defence. Victoria is heavily dependent on the government-funded public service sector. In 2024, this sector represented one-quarter of the total economic activity in Victoria. As a result, the city's GDP is often positively correlated with government spending.

The tourism sector is a key driver of activity in Victoria, which had 2.4 million visitors in 2024. Victoria also welcomed 316 cruise ships with nearly one million passengers that year. BC Ferries transported almost 9 million passengers and 3.2 million vehicles across 25 different coastal routes during the summer of 2024, reflecting Victoria's popularity as a leisure destination. The Victoria hotel market has benefitted from the new restrictions on short-term rentals that were implemented across the province in May 2024; several units have been removed from the market, resulting in compression for the hotel sector.

Between 2025 and 2028, 384 hotel rooms are expected to enter the Victoria market. Between 2019 and 2024, Victoria experienced the highest growth in per-room value of all the Canadian markets with an increase of 51.7%. From 2024 to 2025, the value per key is projected to increase by another 12.4%. The per-room value is projected to reach $432,900 in 2028, with an HVI value of 4.40.

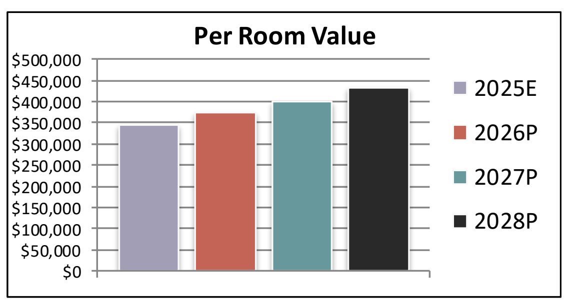
Victoria is expected to finish in third place in 2028, rising from fourth position in 2025, surpassing the Vancouver Airport market.

Table 40 — Victoria Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$152,749	$190,698	$202,667	N/A	$307,496
y/y % Change	8.9%	24.8%	6.3%	N/A	51.7%
Index	1.55	1.94	2.06	N/A	3.12

Table 41 — Victoria Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$345,560	$374,275	$401,926	$432,898
y/y % Change	12.4%	8.3%	7.4%	7.7%
Index	3.51	3.80	4.08	4.40
Rank	4	4	3	3



Source HVS

WINNIPEG the capital city of the province of Manitoba, has a population just shy of 1 million. The city is known as the gateway to the west because it is a railway transportation hub. Other major sectors in Winnipeg include insurance, government and Crown corporations, post-secondary institutions, and healthcare.

Winnipeg International Airport is located seven kilometres west of Downtown Winnipeg. In 2024, the airport saw just over 4 million passengers, which was still below the pre-pandemic traffic level of 4.5 million passengers.

In 2025, the Winnipeg hotel market has been affected by the broader economic slowdown, which has tempered overall hotel demand, although continued government-related contracts and wildfire evacuee demand have provided some support to occupancy levels.

Between 2025 and 2028, 416 new rooms are expected to enter the Winnipeg market, with most additions anticipated in 2025 and 2026. These new projects are expected to enhance the area's overall product offering and support ADR growth.

The Winnipeg market has seen a significant increase in per-room value since 2019, yielding an increase in rank to tenth in 2025; however, the market is projected to fall to twelfth position by 2028, as markets with significant natural resources are projected to outperform Winnipeg.

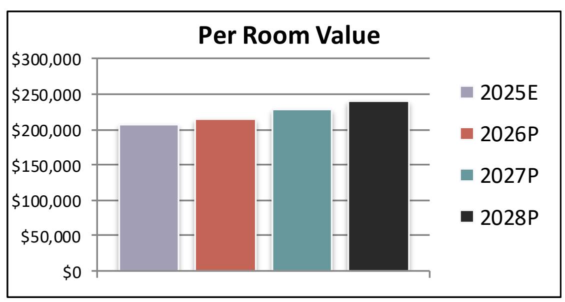
The Winnipeg market officially surpassed the HVI value of 2.00 in 2024. Our projections indicate that this climb will continue, reaching 2.45 in 2028.

Table 42 — Winnipeg Historical Values (2017-2024)

	2017	2018	2019	2020-2023	2024
Per Room Value	$136,302	$140,055	$141,363	N/A	$198,712
y/y % Change	6.1%	2.8%	0.9%	N/A	40.6%
Index	1.38	1.42	1.44	N/A	2.02

Table 43 — Winnipeg Forecasted Values (2025-2028)

	2025E	2026P	2027P	2028P
Per Room Value	$206,712	$214,235	$228,248	$240,972
y/y % Change	4.0%	3.6%	6.5%	5.6%
Index	2.10	2.18	2.32	2.45
Rank	10	11	11	12



Source HVS

HOTEL VALUE FORECAST

Single-digit average annual increases in value per room are expected between 2025 and 2028 across all major markets in Canada, apart from Montreal Airport, Niagara Falls, and Toronto Airport West, which are showing negative growth.

The markets with the highest projected compound annual growth in value from 2025 to 2028 are Calgary, Regina, PEI, Saskatoon, and Victoria; all are seeing significant double-digit growth.

Between 2025 and 2028, the leading markets are projected to remain in their positions; however, certain other markets will be impacted by local economic factors and new supply, affecting their overall rankings. Vancouver Airport is expected to drop one position to fourth, with Victoria moving from fourth position to third with the support of strong leisure demand. Toronto Airport West is expected to drop from fifth to sixth position as corporate demand softens and substantial new supply enters the market, switching with Montreal Downtown. Montreal Airport is expected to drop from eighth position to ninth as hotels ramp back up following the termination of government contract demand, while Niagara Falls drops from seventh to eleventh, reflecting the reduction in American tourists. Winnipeg is expected to drop from tenth to twelfth as Ottawa–Gatineau reclaims its stronger ranking with government demand returning to the market. Quebec City increases from eleventh to seventh given that strong demand is causing compression in the market, leading to notable rate growth. Calgary, with stronger economic fundamentals, is also expected to move upwards, from fourteenth to thirteenth, just above Canada as a whole. Edmonton, Regina, Newfoundland, and New Brunswick are sitting in positions 17 through 20, and only Edmonton is projected to realize an increase in ranking.

Before the pandemic, hotel values in resource-dependent provinces were below their historical highs. The Saskatoon and Regina markets continue to lag their peak values, and they are expected to remain at or near the bottom of the rankings in 2028, with Saskatoon in sixteenth position and Regina in twentieth position. This indicates that, despite economic stabilization, these markets have not diversified enough to surpass other non-resource-based markets, which continue to show growth and thus economic prosperity.

INDUSTRY OUTLOOK

Before the pandemic, the drop in oil and gas prices led investors and developers to explore more opportunities in Eastern Canada's hotel markets. In the post-pandemic period, investors are active in all regions of Canada. According to Colliers International Hotels, Ontario represented the majority of hotel transactions in the first half of 2025; however, Alberta and Atlantic Canada are now ranked as the second and third most attractive regions for hotel investment, respectively.

The Bank of Canada recently cut its benchmark interest rate to 2.5% from 2.75%. This 25-basis point rate cut comes amid more moderate inflation and stable unemployment, coupled with major economic uncertainty related to global tariff conflicts. Lower interest rates usually help spur investment because debt coverage ratios are increased.

The value of a hotel room in Canada reached $121,400 in 2007. As a result of the debt crisis in 2009, the average value fell sharply to $76,600 that year, a drop of 32.3% from 2008. Since 2011, (not taking into account the pandemic years) the overall value of a hotel room in Canada has steadily risen. In 2019, the Canadian per-room value reached $151,900. Projections for 2025 show a further increase in the per-room value to $195,200, after finishing 2024 at $187,700, which is a 4.0% increase and represents average annual compounded growth of 3.4% over the last 20 years. In 2028, the per-room value in Canada is projected to reach $229,200.

The Canadian lodging industry is experiencing a very positive period in its lifecycle because of strong market performance and increasing investor interest, with hotels seen as a more compelling real estate asset class, adding diversity to large real estate owner portfolios.

Not only are investors aggressively pursuing hotel real estate investments, but a much broader pool of lenders has evolved, resulting in more liquidity in the market and more competitive financing—helping hotel investors to overcome their greatest hurdle.

US TRADE DISCLAIMER

The unpredictability of the ongoing trade tensions between Canada and the US makes it difficult to develop accurate projections at this time. All projections and data are based on the best available current (September 2025) information and are subject to updates and changes.

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HVS, the world's leading consulting and services organization focussed on the hotel, mixed-use, shared ownership, gaming, and leisure industries, is celebrating its 45th anniversary in 2025. Each year, HVS performs more than 4,500 assignments for hotel and real estate owners, operators, and developers around the world. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of more than 50 offices and 350 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. **HVS.com**

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HVS Canada with offices in Montreal, Toronto, and Vancouver performs major portfolio appraisals and single-asset consulting assignments and appraisals from coast to coast. HVS Canada will celebrate its 32nd year in 2025. Our professional team members are experts in hospitality appraisal work, feasibility studies, market studies, portfolio valuation, strategic business planning, and litigation support. The managing partners and senior members in the Montreal, Toronto, and Vancouver practices have their AACI, MAI, and MRICS appraisal designations, and all associates are candidate members of the Appraisal Institute of Canada. HVS partners and associates are also members of the Appraisal Institutes of Alberta, New Brunswick, and Nova Scotia. Our bilingual associates enable us to work in French and English, which is of utmost importance in the provinces of Quebec and New Brunswick.

About Authors

Monique Rosszell is a Senior Managing Partner of the Toronto and Montreal offices of HVS. Upon attaining a bachelor's degree in economics from Queen's University, she subsequently enrolled in the Master's program in Hotel and Restaurant Management at the Ecole Hôtelière de Lausanne and then attained both her AACI and her MRICS appraisal designations in Canada. She is also a member of the International Society for Hospitality Consultants (ISHC). Monique has completed hundreds of valuations and feasibility studies throughout Canada, including transaction and portfolio valuations. She also offers litigation and expert witness support, speaks at numerous conferences, and is a trusted advisor within the lodging industry in Eastern Canada.

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Libby Worden joined HVS Montreal as an intern while studying at Toronto Metropolitan University in the School of Hospitality and Tourism Management. Before her internship, she gained a range of experience in the hospitality industry, including roles with Marriott Hotels in British Columbia, and as a server, bartender, and events manager in Ontario. Libby will graduate in 2027 with a Bachelor of Commerce Honours in Hospitality and Tourism Management