

Tourism Snapshot

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

May 2016
Volume 12, Issue 5






KEY HIGHLIGHTS

- In May 2016, Canada greeted over 1,478,000 overnight visitors from DC's 11 international markets. This is up 5.6% relative to 2015 and represents the highest level of overnight arrivals since 2002. During the first five months of 2016, overnight arrivals from DC's 11 international markets rose 12.3% to 4.9 million visitors.
- May 2016 overnight arrivals from DC's 11 international markets saw gains in all regions, including Latin America (+9.7%), the US (+5.3%), Europe (+5.7%) and Asia-Pacific (+7.0%).
- We continue to observe growth in year-to-date arrivals in all DC regions with Latin America (+14.8%) and the US (13.3%) leading the way, followed by Asia-Pacific (+10.0%) and Europe (+6.0%).
- Overnight arrivals from the United States failed to register double-digit growth for the first time since November 2015 in May 2016 (+5.3%). US arrivals realized growth in auto (+2.8%) and air (+12.2%) arrivals, while arrivals by other modes (-0.2%) were similar to 2015.

QUICK LINKS

Industry Performance Dashboard

	May 2016	YTD
 Overnight Arrivals¹		
Total International	↑ 5.2%	↑ 11.7%
11 DC Markets**	↑ 5.6%	↑ 12.3%
Non-DC Markets	↑ 2.4%	↑ 6.9%
 Air Seat Capacity²		
Total International	↑ 9.0%	↑ 10.9%
11 DC Markets**	↑ 4.3%	↑ 3.8%
Non-DC Markets	↑ 22.5%	↑ 26.0%
 National Hotel Indicators³		
Occupancy Rate*	↑ 0.5	↓ -0.2
Revenue Per Available Room (Revpar)	↑ 0.8%	↑ 1.7%
Average Daily Rate (ADR)	↑ 1.5%	↑ 1.3%

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. Diiio Mi.

3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

MARKET MONITOR SUMMARY

	Market	Overnight Arrivals ⁱ		Arrival YOY Variations (%)		Air Seat capacity ⁱⁱ		Local currency vs. CAD ⁱⁱⁱ	
		May 2016	YTD 2016	May 2016	YTD 2016	May 2016	YTD 2016	May 2016 Average	YTD Average
United States	United States	1,154,078	3,850,600	5.3%	13.3%	2.4%	2.3%	6.2%	8.5%
DC Europe	France	39,854	144,001	-0.5%	2.8%	-0.8%	1.6%	7.7%	8.5%
	Germany	34,817	93,996	5.0%	8.8%	1.9%	2.1%	7.7%	8.5%
	United Kingdom	72,296	214,351	9.9%	7.1%	12.1%	2.5%	0.2%	2.8%
DC Asia-Pacific	Australia	32,620	89,852	-3.2%	3.3%	7.9%	-8.4%	-1.4%	1.2%
	China	48,127	169,774	24.0%	16.2%	29.0%	22.2%	1.0%	3.5%
	India	27,954	68,785	7.6%	6.3%	58.9%	58.6%	1.0%	1.1%
	Japan	21,065	83,583	-10.9%	2.2%	-4.0%	1.7%	17.8%	15.0%
	South Korea	19,925	67,120	12.2%	19.6%	9.5%	19.0%	-1.1%	0.4%
DC Latin America	Brazil	10,940	38,400	9.9%	2.7%	-23.3%	-0.7%	-8.8%	-15.6%
	Mexico	17,191	78,320	9.5%	21.8%	24.8%	49.7%	-10.6%	-8.9%
Total 11 DC Markets		1,478,867	4,898,782	5.6%	12.3%				
Rest of the World		184,716	612,635	2.4%	6.9%				
Total International		1,663,583	5,511,417	5.2%	11.7%				

Sources:

i. International Travel Surey, Statistics Canada.

ii. Dlio 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:

+5.3% ↑ YOY



YTD:

+13.3% ↑ YOY

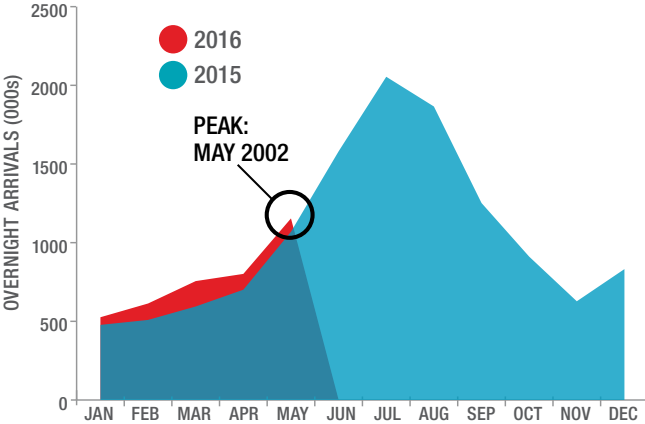
Overnight Arrivals

	May 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	641,486	2.8	2,214,137	13.0
Air	378,497	12.2	1,345,787	16.7
Other	134,095	-0.2	290,676	1.6
US Total	1,154,078	5.3	3,850,600	13.3

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	May 2016	2.4%
	YTD	2.3%
Exchange Rate ⁱⁱ	May 2016	6.2%
	YTD	8.5%
Consumer Confidence Index (1985=100) ⁱⁱⁱ	May 2016	92.4
	Previous Month	94.7
YTD Arrival Peak ^{iv}	Peak Year	2002
	Current % of Previous Peak	89.6%

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

UNITED STATES

- Canada welcomed about 1.15 million overnight visitors from the US in May 2016. This is the highest level of visitors for May since 2004. The US visitor peak on record during for May occurred in 2002, with about 1.29 million overnight trips.
- Overall arrivals from the US rose 5.3% over 2015, with growth in arrivals by auto (+2.8%) and by air (+12.2%). May 2016 saw single-digit arrival growth following six consecutive months of double-digit growth from the US.
- From January to May 2016, total US visitation to Canada rose 13.3% to 3.85 million overnight visits, which is the highest level reached since 2004. Arrivals by auto and by air – the two primary modes of arrivals – registered strong increases of 13.3% and 16.7%, respectively. Arrivals by other modes of transport – such as rail, bus and sea – recorded a smaller (1.6%) increase during the first five months of the year.
- The greater purchasing power of the US dollar, compared to May 2015, contributed to increased travel to Canada. The average value of the US dollar relative to the Canadian dollar in May 2016 was 6.2% higher than in May 2015. Air capacity grew slightly in May (2.4%), but US visitors to Canada made up a larger share of capacity as a result of a significant reduction in the number of Canadians travelling to the US (-7.7% in May 2016 and -12.8% YTD). The impact of the decline in Canadian travellers will be felt later in the year as we are starting to observe downward revisions for seat capacity forecasts for June to November of 2016 compared to forecasts from earlier in the year. This is likely the result of airlines adjusting to reduced Canadian outbound travel demand.
- The consumer confidence index published by the US Conference Board fell to 92.4 points in May, down from 94.7 points in April 2016, as US consumers' economic outlook for business, financial and employment conditions grew somewhat more pessimistic.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+5.7% ↑ YOY



YTD:

+6.0% ↑ YOY

Overnight Arrivals

	May 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	146,967	5.7	452,348	6.0
United Kingdom	72,296	9.9	214,351	7.1
France	39,854	-0.5	144,001	2.8
Germany	34,817	5.0	93,996	8.8
Secondary Markets				
Italy	8,158	1.8	28,032	-1.0
Netherlands	14,560	12.3	34,550	18.6
Spain	5,673	18.2	16,770	19.2
Switzerland	11,014	19.0	33,554	16.0
Rest of Europe	44,219	-1.3	164,167.0	7.9
Total Europe	230,591	5.4	729,421	7.4



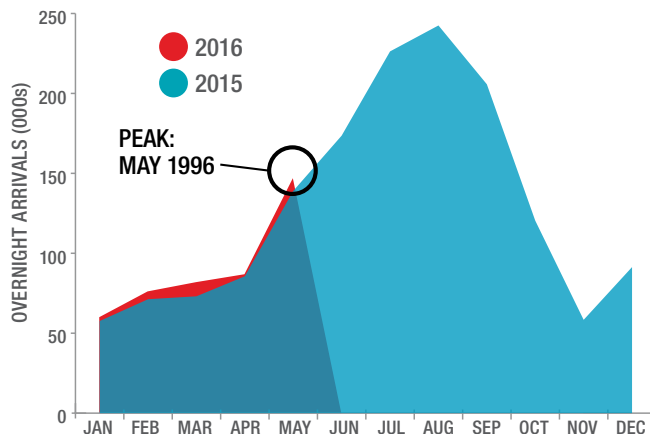
Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacityⁱ	May 2016	-0.8%	1.9%	12.1%
	YTD	1.6%	2.1%	2.5%
Exchange Rateⁱⁱ	May 2016	7.7%	7.7%	0.2%
	YTD	8.5%	8.5%	2.8%
YTD Arrival Peakⁱⁱⁱ	Peak Year	2015	1996	2008
	Current % of Previous Peak	102.8%	87.4%	77.5%

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

Trend Plot: Total DC Europe Arrivals



- Canada welcomed 146,967 visitors from DC's markets in Europe in May 2016, up 5.7% compared to 2015. From January to May 2016, arrivals grew 6.0% compared to the same period in 2015.
- After a slight contraction in April 2016, May arrivals from the UK rebounded with 9.1% growth over May 2015. Supported by an increase in air capacity (12.1% in May and 7.1% YTD), YTD arrivals from the UK are higher (+7.1%) than at this point in 2015.
- May arrivals from France slid by 0.5% but YTD arrivals are up 2.8% relative to 2015. While YTD air capacity to Canada is higher than in 2015 (+1.6%), May saw a slight downward adjustment in capacity (-0.8%). The Euro remains in a stronger position compared to May 2015 (+7.7% and +8.5% YTD), but has been trending downwards since January-February of 2016.
- German arrivals grew 5.0% in May and 13.3% since the start of the year relative to 2015. YTD air capacity to Canada is higher (+2.4%), with May seeing an increase in capacity (2.3%). The Euro remains in a stronger position compared to May 2015 (+7.7% and +8.5% YTD), but has been trending downwards since January/February of 2016.

DC Europe Arrivals by Port of Entry

- From January to May 2016, about 69% of arrivals from DC markets in Europe were direct air arrivals from overseas. Air arrivals via the US accounted for about 28% of total arrivals from France, 20% from Germany and 17% from the UK. Land arrivals made up about 6% of French arrivals, 9% of German arrivals and 7% of UK arrivals.
- Notable year-on-year variations for the first five months of 2016 include the 25% increase in arrivals from France at YVR airport thanks to the new Air France flight from Paris and the strong increases in the number of German arrivals at Montreal-Trudeau (+24%) and Toronto-Pearson (+20%). UK arrivals also recorded strong growth at Montreal (+11%) and Toronto (+9%) airports.

January to May 2016		France	Germany	UK	
Air Arrivals from Overseas	YYZ	Arrivals	14,691	28,770	69,165
		YOY%	-1.4%	19.7%	9.0%
		% of Total	10.2%	30.6%	32.3%
	YVR	Arrivals	4,580	15,272	37,303
		YOY%	24.6%	3.7%	1.4%
		% of Total	3.2%	16.2%	17.4%
	YUL	Arrivals	72,746	11,547	16,731
		YOY%	1.7%	23.6%	10.9%
		% of Total	50.5%	12.3%	7.8%
	YYC	Arrivals	1,059	6,956	19,595
		YOY%	-17.9%	4.7%	-1.2%
		% of Total	0.7%	7.4%	9.1%
	All other airports	Arrivals	2,384	2,580	10,823
		YOY%	2.6%	4.7%	7.6%
		% of Total	1.7%	2.7%	5.0%
Subtotal	Arrivals	95,460	65,125	153,617	
	YOY%	1.8%	12.5%	7.4%	
	% of Total	66.3%	69.3%	71.7%	
Air Arrivals via the US	All airports	Arrivals	39,869	18,436	36,836
		YOY%	10.3%	3.5%	7.8%
		% of Total	27.7%	19.6%	17.2%
Sea Arrivals	All sea borders	Arrivals	224	2,088	7,936
		YOY%	-15.8%	-10.7%	-63.7%
		% of Total	0.2%	2.2%	3.7%
Land Arrivals via US	All land borders	Arrivals	8,401	8,126	15,866
		YOY%	-14.8%	-2.2%	-5.8%
		% of Total	5.8%	8.6%	7.4%
Total Overnight Arrivals		144,001	93,996	214,351	

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:

+7.0% ↑ YOY



YTD:

+10.0% ↑ YOY

Overnight Arrivals

	May 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	149,691	7.0	479,114	10.0
Australia	32,620	-3.2	89,852	3.3
China	48,127	24.0	169,774	16.2
India	27,954	7.6	68,785	6.3
Japan	21,065	-10.9	83,583	2.2
South Korea	19,925	12.2	67,120	19.6
Secondary Markets				
Hong Kong	13,879	1.3	47,333	-0.5
Taiwan	8,617	27.1	26,261	27.9
Rest of Asia-Pacific	42,523	-1.5	129,544	1.4
Total Asia-Pacific	214,710	5.5	682,252	8.0

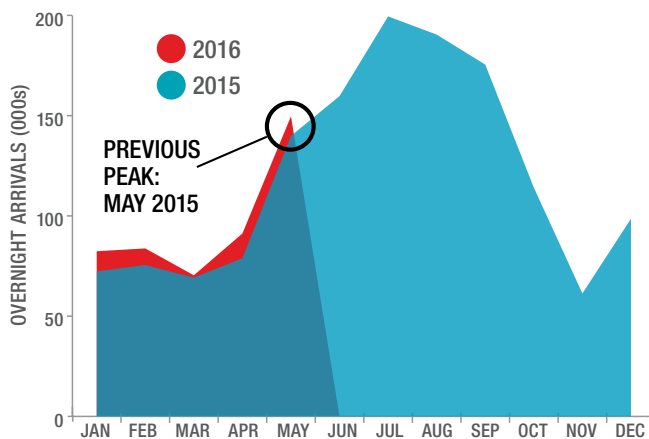


Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity ⁱ	May 2016	7.9%	29.0%	58.9%	-4.0%	9.5%
	YTD	-8.4%	22.2%	58.6%	1.7%	19.0%
Exchange Rate ⁱⁱ	May 2016	-1.4%	1.0%	1.0%	17.8%	-1.1%
	YTD	1.2%	3.5%	1.1%	15.0%	0.4%
YTD Arrival Peak ⁱⁱⁱ	Peak Year	2015	2015	2015	1996	2008
	Current % of Previous Peak	103.3%	116.2%	106.3%	45.5%	103.5%

Trend Plot: Total DC Asia-Pacific Arrivals



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

- Canada welcomed 149,691 visitors from DC Asia-Pacific in May 2016, up 7.0%, achieving a new all-time record for May arrivals. Overnight visitation grew 10.0% since the start of the year.
- China and South Korea saw the strongest growth in May among DC markets. Arrivals from China continue to surge with May arrivals up 24.0%. Air capacity continues to rapidly expand (+29% in May, +22.2% YTD) and Chinese visitors benefited from a slightly more favorable exchange rate. Chinese arrivals are on track for another record year with 16.2% YTD growth.
- South Korea achieved 12.2% growth in arrivals in May 2016 (19.6% YTD). This performance was supported by a 19.0% YTD increase in air capacity over the same period in 2015.
- Overnight arrivals from Japan saw a drop in May (-10.9%) amid a reduction in air capacity during that month (-4.0%). Growth in air capacity (+1.7%) over the first five months of 2016 together with a more favorable exchange rate relative to the CAD helped support positive growth (2.2%) in overnight arrivals from Japan.
- Visitation from India grew by a robust 7.6% in May 2016 contributing to overall YTD growth of 6.3%. This growth can be tied to the significant increase in direct air capacity (+59% in May and 59% YTD) from the new nonstop Air Canada route between Delhi and Toronto introduced in November 2015.
- Australia posted a 3.2% decrease in May, slowing YTD overall growth to 3.3%. Despite a In spite of growth in capacity (+7.9%) in May, fewer Australians entered Canada direct from overseas by air (-12.6%) than via the US by air (-1.8%). Over the first five months of 2016, more Australians entered Canada through the US than in 2015 (+5.1% by air, +10.7% by land), while fewer entered direct from overseas (-3.2%).

DC Asia-Pacific Arrivals by Port of Entry

- Over the first five months of 2016, 71% of arrivals from China, 66% from Japan, 64% from India, 49% from South Korea, and 32% from Australia were direct air arrivals from overseas.
- Air arrivals via the US accounted for 45% of total arrivals from Australia, 24% from Japan, 17% from South Korea, 18% from China and 14% from India.
- Arrivals from China to YUL increased 614% thanks to the new Air China flight from Beijing, but Montreal still lags far behind YVR and YYZ.

January to May 2016		Australia	China	India	Japan	South Korea	
Air Arrivals from Overseas	YYZ	Arrivals	4,536	51,002	28,180	18,371	9,602
		YOY%	4.3%	9.1%	5.9%	-3.9%	13.2%
		% of Total	5.0%	30.0%	41.0%	22.0%	14.3%
	YVR	Arrivals	22,839	63,506	8,556	32,697	22,413
		YOY%	-4.5%	14.7%	19.0%	3.5%	15.6%
		% of Total	25.4%	37.4%	12.4%	39.1%	33.4%
	YUL	Arrivals	579	6,058	2,970	337	241
		YOY%	-7.5%	613.5%	-5.3%	71.9%	-4.0%
		% of Total	0.6%	3.6%	4.3%	0.4%	0.4%
	YYC	Arrivals	421	151	3,374	3,976	299
		YOY%	24.2%	-38.9%	16.3%	-15.3%	-48.4%
		% of Total	0.5%	0.1%	4.9%	4.8%	0.4%
	All other airports	Arrivals	233	367	1,009	81	70
		YOY%	0.8%	0.4%	2.5%	0.1%	0.2%
		% of Total	0.3%	0.2%	1.5%	0.1%	0.1%
Subtotal	Arrivals	28,608	121,084	44,089	55,462	32,625	
	YOY%	-3.2%	16.8%	7.1%	-0.5%	13.2%	
	% of Total	31.8%	71.3%	64.1%	66.4%	48.6%	
Air Arrivals via the US	All airports	Arrivals	40,272	30,471	9,566	19,770	11,676
		YOY%	5.1%	16.8%	15.4%	0.8%	13.2%
		% of Total	44.8%	17.9%	13.9%	23.7%	17.4%
Sea Arrivals	All sea borders	Arrivals	8,179	2,370	1,477	968	572
		YOY%	6.9%	45.8%	-1.5%	57.4%	-6.8%
		% of Total	9.1%	1.4%	2.1%	1.2%	0.9%
Land Arrivals via US	All land borders	Arrivals	12,706	15,537	13,630	6,656	21,735
		YOY%	10.7%	5.3%	-0.7%	14.9%	32.6%
		% of Total	14.1%	9.2%	19.8%	8.0%	32.4%
Total Overnight Arrivals		89,852	169,774	68,785	83,583	67,120	

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: **+9.7% ↑ YOY**



YTD: **+14.8% ↑ YOY**

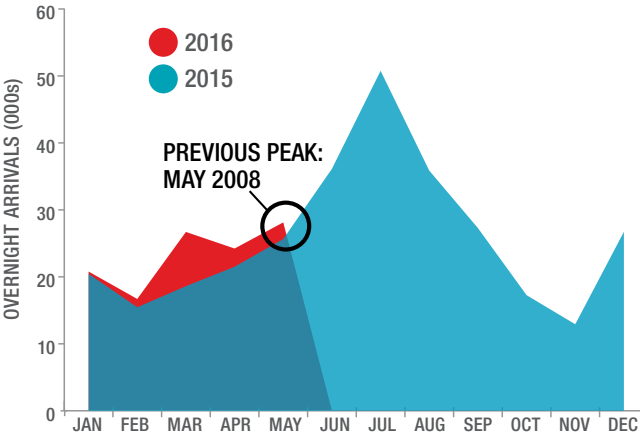
Overnight Arrivals

	May 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	28,131	9.7	116,720	14.8
Brazil	10,940	9.9	38,400	2.7
Mexico	17,191	9.5	78,320	21.8
Rest of Latin America	24,771	-4.4	49,538	3.5
Total Latin America	52,902	2.6	166,258	11.2

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 Capacityⁱ	May 2016	-23.3%	24.8%
	YTD	-0.7%	49.7%
Exchange Rateⁱⁱ	May 2016	-8.8%	-10.6%
	YTD	-15.6%	-8.9%
YTD Arrival Peakⁱⁱⁱ	Peak Year	2015	2008
	Current % of Previous Peak	102.7%	92.1%

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

LATIN AMERICA

- Canada welcomed 25,652 visitors from the two DC Latin America markets in May 2016, up 9.7% over May 2015. May numbers are second-highest on record, just trailing May 2009 arrivals. From January to May 2016, arrivals from DC Latin America grew 14.8%.
- May was the seventh consecutive month of strong arrival growth from Mexico (+9.5%), with persisting strong YTD growth (+21.8%). Like April, May saw significant growth in air capacity (+24.8%, +49.7% YTD). Mexico is seeing impressive arrivals despite the Mexican peso weakening against the Canadian dollar (-8.9% YTD).
- Arrivals from Brazil also rose significantly in May (+9.9%). YTD Brazilian arrivals have surpassed their 2015 numbers (+2.7%). We are observing growth despite diminishing air capacity (-23.3%, -0.7% YTD). Despite some weak appreciation against the CAD in April and May, the Brazilian Real is still much weaker than at this time last year due to a troubled economy and political turbulence (-15.6% YTD).

DC Latin America Arrivals by Port of Entry

- Since the start of 2016, just over half of arrivals from Mexico (54%) and Brazil (52%) were direct air arrivals.
- Air arrivals via the US accounted for about 43% of total arrivals to Canada from Brazil and 19% from Mexico. Arrivals by land accounted for 25% of total arrivals from Mexico and 4% from Brazil.
- Notable year-on-year variations include significant increases in arrivals from Mexico at Toronto-Pearson (YYZ) (+25%) and Vancouver International (YVR) (+87%). YVR also saw a 112% increase in arrivals from Brazil (although the number of arrivals remains very small) as a result of the new AeroMexico flight to Vancouver which provides easier air access from Latin America via the Mexico City hub. 95% of Brazilian direct air arrivals go to YYZ.

January to May 2016			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	18,726	19,515
		YOY%	4.2%	22.5%
		% of Total	48.8%	24.9%
	YVR	Arrivals	538	15,950
		YOY%	111.8%	86.9%
		% of Total	1.4%	20.4%
	YUL	Arrivals	454	5,788
		YOY%	10.2%	-8.2%
		% of Total	1.2%	7.4%
	YYC	Arrivals	32	802
		YOY%	-11.1%	4.3%
		% of Total	0.1%	1.0%
	All other airports	Arrivals	67	495
		YOY%	0.4%	1.6%
		% of Total	0.2%	0.6%
Subtotal	Arrivals	19,817	42,550	
	YOY%	5.9%	32.5%	
	% of Total	51.6%	54.3%	
Air Arrivals via the US	All airports	Arrivals	16,647	14,824
		YOY%	0.0%	4.3%
		% of Total	43.4%	18.9%
Sea Arrivals	All sea borders	Arrivals	463	1,721
		YOY%	-6.1%	-91.0%
		% of Total	1.2%	2.2%
Land Arrivals via US	All land borders	Arrivals	1,382	19,150
		YOY%	-91.7%	34.7%
		% of Total	3.6%	24.5%
Total Overnight Arrivals			38,400	78,320

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

COMPETITIVE REVIEW

January to May 2016		Trips To:			
		Canada		Australia	
Trips From:			% YOY Variance		% YOY Variance
Total International		5,511,417	11.7%	3,324,700	11.2%
United States		3,850,600	13.3%	291,400	16.6%
Canada		68,500	1.6%
Europe	United Kingdom	214,351	7.1%	317,900	4.4%
	France	144,001	2.8%	47,000	1.5%
	Germany	93,996	8.8%	82,700	5.8%
Asia-Pacific	Australia	89,852	3.3%
	Japan	83,583	2.2%	158,800	28.7%
	South Korea	67,120	19.6%	122,200	25.3%
	China	169,774	16.2%	558,500	22.0%
	India	68,785	6.3%	109,700	4.2%
Latin America	Mexico	78,320	21.8%	3,400	0.0%
	Brazil	38,400	2.7%	18,100	-7.2%
Total DC Key Markets		4,898,782	12.3%	1,778,200	14.5%

Sources:

Statistics Canada, International Travel Survey Border Counts.

Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- From January to May 2016, Canada registered a marginally higher increase in total international arrivals (+11.7%) than Australia (+11.2%) compared with 2015. Canada welcomed 5.51 million international visitors, compared with 3.32 million in Australia.
- Among DC's markets, Australia outperformed Canada, with arrivals increasing 14.5% - compared to 12.3% in Canada. Arrivals from DC markets totalled nearly 4.90 million trips to Canada compared to 1.78 million in Australia.
- Year-to-date, a greater number of Australians travelled to Canada than Canadians travelling to Australia. Approximately 68,500 Canadian travellers visited Australia (+1.6%), while 89,850 Australians visited Canada (+3.3%).
- Canada registered weaker growth than Australia from the US (+13.3% vs +16.6%) since the start of the year. Despite slightly weaker growth, Canada welcomed nearly thirteen times more American visitors than Australia (3.85 million vs 291,000 visits).
- Australia continues to post a surge in arrivals from China (+22.0%), outpacing the growth rate recorded in Canada (+16.2%). China remains Australia's main long-haul inbound market with 558,500 visitors since the start of 2016, compared to just short of 170,000 to Canada.
- In addition to China, Australia recorded stronger YTD growth than Canada from Japan (+28.7% vs +2.2%) and South Korea (+25.3% vs +19.6%).
- Canada registered larger gains than Australia in arrivals from all other DC markets, including UK (+7.1% vs 4.4%), France (+2.8% vs 1.5%), Mexico (+21.8% vs +0%), Germany (+8.8% vs 5.8%), and India (+6.3% vs 4.2%).

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry, Year to Date

		Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2016	12,563	43	28,260	46,123	854,964	2,542,256
	Variance YOY%	-9.1%	30.3%	15.0%	15.6%	12.8%	10.8%
	Change YOY	(1,253)	10	3,692	6,232	97,335	247,398
US Residents by Automobile	2016	0	0	0	41,306	330,472	1,099,670
	Variance YOY%	0.0%	0.0%	0.0%	12.3%	20.9%	9.8%
	Change YOY	-	False	-	4,510	57,136	98,519
US Residents by Non-Automobile	2016	1,365	37	16,977	3,299	236,349	738,985
	Variance YOY%	-42.0%	270.0%	24.2%	55.8%	9.4%	15.2%
	Change YOY	(989)	27	3,305	1,181	20,261	97,556
Residents from Other Countries	2016	11,198	6	11,283	1,518	288,143	703,601
	Variance YOY%	12.6%	-73.9%	3.6%	64.1%	7.4%	7.9%
	Change YOY	1,253	(17)	387	593	19,938	51,323

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	61,874	24,201	265,594	1,650,703	24,836	5,511,417
	Variance YOY%	10.8%	5.5%	4.4%	14.0%	3.1%	11.7%
	Change YOY	6,051	1,262	11,220	202,726	743	575,416
US Residents by Automobile	2016	37,760	13,569	29,989	647,405	13,966	2,214,137
	Variance YOY%	10.7%	15.1%	11.1%	14.9%	14.7%	13.0%
	Change YOY	3,660	1,783	2,990	83,877	1,795	254,270
US Residents by Non-Automobile	2016	21,585	9,657	152,267	446,885	9,057	1,636,463
	Variance YOY%	14.1%	2.0%	7.3%	17.2%	-8.3%	13.7%
	Change YOY	2,660	186	10,364	65,616	(818)	197,553
Residents from Other Countries	2016	2,529	975	83,338	556,413	1,813	1,660,817
	Variance YOY%	-9.6%	-36.1%	-2.5%	10.6%	-8.2%	8.0%
	Change YOY	(269)	(551)	(2,134)	53,233	(163)	123,593

- From January to May 2016, the largest increases in total international arrivals to Canada were recorded through Ontario (+247,500, +10.8%), British Columbia (+203,000, +14.0%), and Quebec (+97,500, +12.8%).
- All three provinces (Ontario, BC and Quebec) registered strong gains in US arrivals by auto and non-auto modes as well as from overseas since the start of 2016.
- Seven provinces and territories recorded double-digit growth in arrivals by automobile from the US, with Quebec leading the way (+20.9%), followed by Saskatchewan (+15.1%), BC (+14.9%), the Yukon (+14.7%), New Brunswick (+12.3%), Alberta (+11.1%), and Manitoba (+10.7%).
- A few provinces recorded a contraction of total international arrivals (mainly US residents arriving by non-auto modes) since the beginning of 2016. In terms of volume, the biggest contractions were in Alberta (-2,100, -2.5%) and Saskatchewan (-550, -36.1%).

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	May 2016	YOY % Variance	Jan.- May 2016	YOY % Variance
United States	1,692,879	-7.7	7,687,903	-12.8
Other Countries	929,982	2.1	5,848,664	5.0
Total Trips from Canada	2,622,861	-4.5	13,536,567	-5.9

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

- In May 2016, the number of overnight trips by Canadians to international destinations, including the US, once again declined to 2.62 million, a contraction of 4.5% relative to May 2015. While the number of overnight trips by Canadians to the US fell by 7.7% year-over-year, it rose by 2.1% to overseas destinations.
- During the first five months of 2016, total Canadian outbound travel fell 5.9% to 13.54 million trips. Largely as a result of the depreciation of the loonie relative to the US dollar, Canadians limited their travel to the US by 12.8%, substituting for overseas countries (+5.0%) as alternative destinations.
- Amid some signs of a recovering Canadian economy in early 2016, the index of consumer confidence published by the Conference Board of Canada surged by 7.1 points to 101.8 (2014 = 100) in May, a fourth consecutive monthly increase.
- In May 2016, most Canadian residents returned to the country from abroad through Ontario (1.27 million re-entries, -1.5%), BC (555,000 re-entries, -5.4%) and Quebec (445,000 re-entries, -3.5%).
- Canadian residents returning home from the US primarily re-entered Canada through Ontario (770,000 re-entries, -7.3%), BC (410,000 re-entries, -4.4%) and Quebec (260,000 re-entries, -5.3%).

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	May 2016	YOY^ Variance	Jan.- May	YOY^ Variance	May 2016	YOY % Variance	Jan.- May	YOY % Variance	May 2016	YOY % Variance	Jan.- May	YOY % Variance
Alberta¹	57.6%	-2.8	49.7%	-9.2	\$126.09	-10.5%	\$129.16	-8.5%	\$72.64	-14.6%	\$64.23	-22.7%
British Columbia	69.8%	0.7	62.6%	2.5	\$156.80	4.5%	\$148.70	7.7%	\$109.38	5.6%	\$93.12	12.2%
Saskatchewan	56.7%	-2.9	52.7%	-4.2	\$126.21	-5.3%	\$127.28	-4.1%	\$71.52	-9.9%	\$67.09	-11.2%
Manitoba	63.4%	0.2	60.3%	0.4	\$124.11	3.1%	\$119.64	0.8%	\$78.68	3.5%	\$72.19	1.5%
Ontario	69.3%	2.1	60.9%	2.2	\$143.02	2.7%	\$135.81	3.0%	\$99.14	5.9%	\$82.77	6.8%
Quebec	68.9%	0.4	60.5%	1.2	\$154.08	1.8%	\$144.75	2.0%	\$106.22	2.4%	\$87.63	4.1%
New Brunswick	57.0%	2.3	47.6%	2.5	\$112.79	-1.0%	\$109.69	0.6%	\$64.30	3.2%	\$52.18	6.1%
Nova Scotia	61.8%	1.7	54.9%	2.4	\$130.73	3.9%	\$122.43	2.4%	\$80.76	6.9%	\$67.17	7.1%
Newfoundland	62.0%	-0.4	51.9%	-5.0	\$143.54	-2.7%	\$135.61	-1.8%	\$89.04	-3.4%	\$70.33	-10.5%
Prince Edward Island	40.2%	1.2	41.0%	4.7	\$123.52	10.0%	\$105.90	3.4%	\$49.70	13.3%	\$43.45	16.6%
Northwest Territories	51.9%	-6.2	69.4%	4.8	\$142.15	-9.1%	\$153.65	-2.7%	\$73.83	-18.8%	\$106.56	4.5%
Yukon	65.4%	2.3	58.9%	2.2	\$128.80	8.6%	\$115.96	4.2%	\$84.29	12.5%	\$68.25	8.3%
Canada	65.7%	0.5	58.0%	-0.2	\$143.71	0.8%	\$137.80	1.7%	\$94.40	1.5%	\$79.94	1.3%

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.

Users of this information are advised that CBRE Hotels does not represent the information contained herein to be definitive or all-inclusive. CBRE Hotels believes the information to be reliable, but is not responsible for errors or omissions.

- During May 2016, the National Occupancy Rate increased 0.5 points (relative to May 2015) to 65.7% amid mixed performance indicators for the accommodation sector across Canada. Year-to-date compared with 2015, the National Occupancy Rate is down by 0.2% to 58.0%.
- We continue to observe weaker performance among economies affected by the oil and gas downturn with contractions in Alberta (-2.8 points), Saskatchewan (-2.9 points), and Newfoundland (-0.4 points). Alberta and Saskatchewan continue to see significant reductions in average daily rate and RevPar compared to this time last year. Northwest Territories also saw a sluggish May, with occupancy rates, daily rates, and RevPar down 6.2, 9.1, and 18.8 points respectively compared to May 2015.
- May saw more positive hotel performance in other regions. New Brunswick (+2.3), Yukon (+2.3), and Ontario (+2.1) saw the largest growth in occupancy rate. BC and PEI continue to have a strong year by RevPar with BC up 5.6 points in May and 12.2 points YTD, while PEI surged 13.3 points in May, and 16.6 points YTD.
- Among specific destinations, Vancouver Island (RevPar +11%), Alberta resorts (+13%), and the GTA (+10%) saw particularly strong performances. Greater Vancouver growth (+5%) was mostly due to growth in the outskirts, as Downtown Vancouver saw marginal gains (+2%) with occupancy rates over 86%.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	May 2016	YOY [^] Change	Jan.- May	YOY [^] Variance	May 2016	YOY Variance	Jan.- May	YOY Variance
Property Size								
Under 50 rooms	49.4%	0.3	42.3%	-2.3	\$102.04	-1.7%	\$99.99	-0.5%
50-75 rooms	57.3%	-0.8	50.0%	-1.4	\$109.70	0.6%	\$105.66	-0.2%
76-125 rooms	63.1%	1.1	55.6%	-0.8	\$123.44	-0.9%	\$121.07	-0.9%
126-200 rooms	66.7%	0.0	59.5%	-0.3	\$131.90	1.7%	\$126.95	1.1%
201-500 rooms	69.7%	0.5	62.3%	0.6	\$167.56	1.4%	\$160.74	3.6%
Over 500 rooms	77.0%	1.6	66.4%	2.2	\$200.03	1.9%	\$183.74	3.3%
Total	65.7%	0.5	58.0%	-0.2	\$143.71	0.8%	\$137.80	1.7%
Property Type								
Limited Service	59.2%	-0.1	52.2%	-1.5	\$110.50	-1.0%	\$109.15	-1.1%
Full Service	70.5%	0.7	61.0%	0.2	\$156.63	1.2%	\$145.55	1.7%
Suite Hotel	73.1%	0.9	67.5%	1.3	\$149.28	0.8%	\$144.49	1.8%
Resort	54.0%	1.8	55.1%	2.9	\$196.84	5.8%	\$206.32	9.6%
Total	65.7%	0.5	58.0%	-0.2	\$143.71	0.8%	\$137.80	1.7%
Price Level								
Budget	56.5%	1.3	50.0%	1.5	\$92.76	3.9%	\$89.54	3.9%
Mid-Price	67.9%	0.2	59.5%	-1.2	\$139.31	0.1%	\$132.52	0.0%
Upscale	71.0%	0.4	63.5%	1.1	\$227.65	3.6%	\$216.61	6.1%
Total	65.7%	0.5	58.0%	-0.2	\$143.71	0.8%	\$137.80	1.7%

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

- Since the start of the year, larger hotels (greater than 200 rooms) have generally fared better in terms of occupancy and average daily rates. Hotels with over 500 rooms registered the strongest performance with occupancy up 2.2 points and average daily rates up 3.3%.
- Nationally, suite hotels outperformed full service hotels in occupancy rate (1.3% vs 0.2%, respectively) in the first five months of 2016. Average daily rate performance was similar between the two (1.8% and 1.7%, respectively).
- Resorts once again saw the greatest YTD growth in occupancy rate (+2.9 points) and ADR (+9.6 points) nationwide relative to last year. Western Canadian resorts led the pack with YTD ADR growth of 11.9%.