DESTINATION CANADA

Tourism Snapshot

March 2017
Volume 13, Issue 3

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

Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- Canada welcomed just over a million international overnight visitors in March 2017 (1.05 million) bringing the total over the first quarter of 2017 up to 2.83 million. While these monthly arrivals are slightly below the same month last year (-1.2%), the Q1 2017 total is up 3.1% year-over-year and is the highest observed for that period since 2002.
- Overnight arrivals from Destination Canada's ten overseas markets grew 15.4% year-over-year in the first quarter of 2017. Seven of these markets expanded by double-digit leaps, with exceptional performances from Latin America (+26.1%) and Asia-Pacific (+21.2%), as well as healthy gains from Europe (+5.9%). Arrivals from the US slipped -1.1% over the first three months of 2017.
- In March 2017, overnight arrivals from Destination Canada's 11 core markets contracted by -2.5% as lower arrivals from the United States (-5.8%) and the UK (-13.3%) more than offset resilient gains achieved in seven of DC's ten overseas markets. Arrivals data from previous years suggests that the Easter holiday increases arrivals from the US, UK, and Mexico. A March Easter led to unusually high arrivals from these markets in 2016 and understating year-over-year performance in March 2017, resulting in what appears like a slowdown from the US, UK, and Mexico (+0.5%).
- In the United States, overnight arrivals tumbled for a second consecutive month in March 2017 (-5.8%) as declines in arrivals by automobile (-11.6%) and other modes of transport (-6.2%) overshadowed gains in air arrivals (+3.4%). Taking into account the Easter holiday effect, a leading indicator for arrivals by automobiles suggests the March decline will likely be matched with an offsetting surge in April.
- In DC's Latin America region (+6.7% in March), overnight arrivals from Brazil picked up speed (+32.0%), while arrivals from Mexico slowed (+0.5%) following gains averaging 60% over the first two months of 2017. Over the first quarter of 2017, arrivals from Latin America averaged +26.1%, on the basis of healthy gains from both Mexico (+31.0%) and Brazil (+15.1%)
- Monthly arrivals from DC's Asia-Pacific region rose 25.2% in March 2017, bringing year-to-date overnight arrivals to +21.2%. All five DC Asia-Pacific markets were characterized by strong double-digit gains for both March 2017 and Q1 2017.
- In March 2017, overnight arrivals from DC's three European markets (+1.6%) were driven by a strong performance from France (+29.4%) and continued gains from Germany (+5.2%), which offset the contraction from the UK (-13.3%).

QUICK LINKS

Industry Performance Dashboard

	March 2017	YTD
Overnight Arrivals[1]		
Total International	↓ -1.2%	↑ 3.1%
11 DC Markets**	↓ -2.5%	↑ 2.4%
United States	↓ -5.8%	↓ -1.1%
10 Overseas Markets	↑ 11.7%	↑ 15.4%
Non-DC Markets	↑ 9.8%	↑ 8.5%
Air Seat Capacity[2]		
Total International	↑ 3.1%	↑ 5.1%
11 DC Markets**	↑ 7.8%	↑ 5.5%
Non-DC Markets	↓ -6.9%	↑ 4.4%
National Hotel Indicators[3]		
Occupancy Rate*	↑ 2.7	↑ 1.6
Revenue Per Available Room (Revpar)	↑ 2.9%	↑ 2.3%
Average Daily Rate (ADR)	↑ 7.7%	↑ 5.3%

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

Sources:
1. Statistics Canada, Frontier counts, custom tabulations
2. IATA-Diio SRS Analyser
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]	
		Mar. 2017	YTD 2017	Mar. 2017	YTD 2017	Mar. 2017	YTD 2017	Mar. 2017 Average	YTD Average
United States	United States	723,952	1,909,221	-5.8%	-1.1%	3.4%	0.6%	1.2%	-3.7%
DC Europe	France	27,233	82,401	29.4%	10.8%	10.1%	8.2%	-2.8%	-7.0%
	Germany	18,436	43,209	5.2%	3.8%	10.6%	10.8%	-2.8%	-7.0%
	United Kingdom	37,936	105,720	-13.3%	3.1%	11.9%	14.4%	-12.3%	-16.7%
DC Asia-Pacific	Australia	12,350	52,780	15.5%	23.7%	114.0%	100.4%	2.8%	1.3%
	China	28,595	104,353	22.7%	17.2%	49.0%	43.0%	-4.5%	-8.6%
	India	12,866	31,643	33.0%	19.9%	64.9%	63.6%	2.9%	-3.0%
	Japan	23,905	59,779	28.6%	28.0%	16.0%	14.1%	1.2%	-2.4%
	South Korea	12,470	40,231	27.3%	20.7%	35.2%	33.0%	5.7%	0.4%
DC Latin America	Brazil	7,029	22,769	32.0%	15.1%	-35.9%	-38.4%	19.6%	19.5%
	Mexico	21,651	58,384	0.5%	31.0%	36.8%	34.3%	-7.4%	-14.5%
Total 11 DC Markets		**926,423**	**2,510,490**	**-2.5%**	**2.4%**				
Rest of the World		**118,807**	**322,405**	**9.8%**	**8.5%**				
Total International		**1,045,230**	**2,832,895**	**-1.2%**	**3.1%**				

Sources:
i. Statistics Canada, Frontier counts, custom tabulations
ii. IATA-Diio SRS Analyser
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 during the current month and YTD relative to the same periods in the previous year..
iii. The exchange rate variation is calculated on the average value of the Canadian dollar during during the current month and YTD relative to the same periods in the previous year..

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

-5.8% ↓ YOY

YTD:

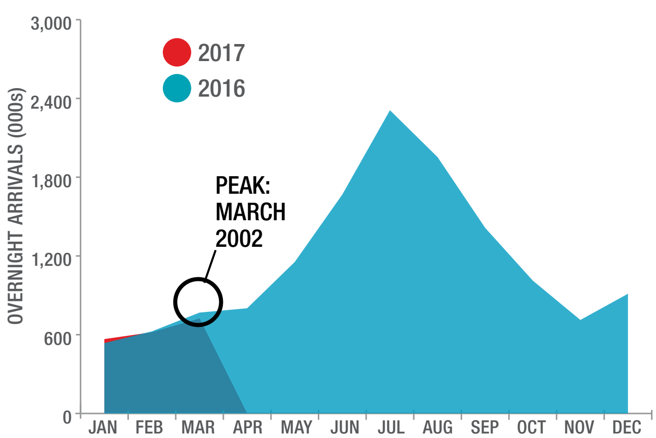
-1.1% ↓ YOY

Overnight Arrivals

	March 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	394,255	-11.6	1,054,034	-4.6
Air	293,236	3.4	755,903	3.8
Other	36,461	-6.2	99,284	2.3
US Total	**723,952**	**-5.8**	**1,909,221**	**-1.1**

Source: Statistics Canada, Frontier counts, custom tabulations.
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]	March 2017	3.4%
	YTD	0.6%
Exchange Rate[ii]	March 2017	1.2%
	YTD	-3.7%
Consumer Confidence Index (1985=100)[iii]	March 2017	124.9
	Previous Month	116.1
YTD Arrival Peak[iv]	Peak Year	2002
	Current % of Previous Peak	83.2%

Source:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, Frontier counts, custom tabulations.

UNITED STATES

- For a second consecutive month, Canada observed a year-over-year decline in overnight visitors from the US in March 2017 (723,952, -5.8%). This distinct drop was driven by notable decreases in arrivals by automobile (-11.6%) and other modes of transportation such as bus, train, or cruise (-6.2%), which outpaced growth in arrivals by air (+3.4%). This trend can likely be attributed at least in part to the key travel period of Easter, which took place in March last year but later in April this year. A leading indicator for arrivals by automobiles suggests that the March decline will likely be matched with an offsetting surge in April, which supports this trend.
- Over the first quarter of 2017, US arrivals to Canada were down slightly year-over-year (-1.1%), mainly due to the decline in auto arrivals (-4.6%), which outweighed gains in arrivals by air (+3.8%) and other modes (+2.3%).
- The continued growth in air arrivals from the US was supported by a slight expansion in air capacity between Canada and the US (+3.4% in March, +0.6% YTD). Meanwhile the weakened strength of the US dollar against the Canadian dollar (-3.7% YTD) showed signs of improvement in March (+1.2%).
- Consistent with observations throughout the first quarter of 2017, the top states of origin for US overnight arrivals by vehicle[1] in March 2017 were Washington (21.7% of arrivals), New York (16.9%), and Michigan (13.4%). A notable proportion of US auto arrivals also came from Ohio (4.8%), Oregon (4.0%), Pennsylvania (3.9%), Massachusetts (3.8%), and Vermont (3.0%). The overall downward trend observed in US auto arrivals in March was most noticeable in visitors driving from Virginia (-47%), Maryland (-44%), and New Jersey (-41%).
- Marking a second consecutive month of growth, the consumer confidence index published by the US Conference Board jumped a remarkable 8.8 points in March 2017 to reach 124.9.

[1] States of origin information is based on Integrated Primary Inspection Lane data collected from US residents entering Canada in automobiles with license plate registered in the United States.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+1.6% ↑ YOY

YTD:

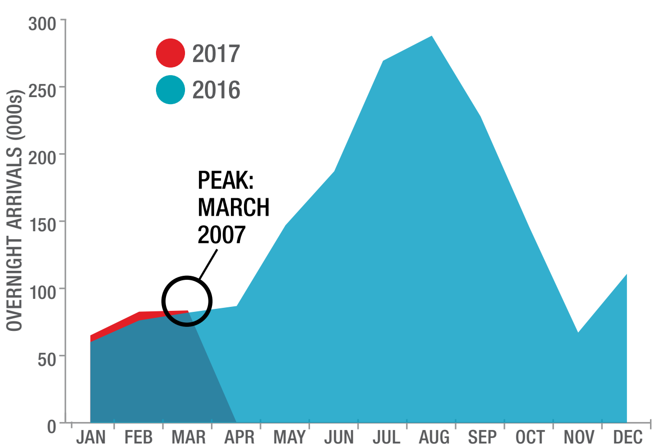
+5.9% ↑ YOY

Overnight Arrivals

	March 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**83,605**	**1.6**	**231,330**	**5.9**
United Kingdom	37,936	-13.3	105,720	3.1
France	27,233	29.4	82,401	10.8
Germany	18,436	5.2	43,209	3.8
Other Europe	**53,059**	**43.4**	**145,898**	**26.2**
Italy	5,003	13.3	12,504	-8.6
Netherlands	5,503	20.5	15,162	20.7
Spain	3,549	10.4	8,829	10.2
Switzerland	5,340	-12.6	15,075	-6.1
Rest of Europe	33,664	11.9	94,328	10.1
Total Europe	**136,664**	**4.6**	**377,228**	**6.4**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Europe Arrivals



DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacity[i]	March 2017	10.1%	10.6%	11.9%
	YTD	8.2%	10.8%	14.4%
Exchange Rate[ii]	March 2017	-2.8%	-2.8%	-12.3%
	YTD	-7.0%	-7.0%	-16.7%
YTD Arrival Peak[iii]	Peak Year	2016	1996	2008
	Current % of Previous Peak	110.8%	94.7%	74.1%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

EUROPE

- Arrivals from Destination Canada's Europe region saw slowed growth in March 2017 (+1.6%), with a total of 83,605 visitors. The main contributor to the deceleration in this region was the UK, which saw a drop in arrivals of -13.3% in March. However, that decline was offset by a very strong performance from France (+29.4%) and continued positive growth from Germany (+5.2%).
- Year-to-date over the first quarter of 2017 this region noted consistent growth (+5.9%), led again by France (+10.8%), with continued steady growth from Germany (+3.8%) and the UK (+3.1%).
- The decline in UK arrivals to Canada was observed alongside continued expansion of air capacity to Canada (+11.9% in March) and ongoing significant depreciation of the GBP since the Brexit vote in June 2016. The downward trend in March was likely related to the shift of the Easter weekend to late April this year (vs. March last year).
- France well outpaced DC's other European markets in arrivals to Canada, once again achieving record peaks both in March (27,233, +29.4%) and in Q1 2017 (82,401, +10.8%). Continued air capacity expansion (+10.1% in March, +8.2% YTD) helped contribute to this performance, in spite of a consistently weaker Euro.
- Visitors from Germany continued to increase at steady pace year-over-year (+5.2% in March, +3.8% YTD). Again this positive performance was supported by expanded air capacity (+10.6% in March, +10.8% YTD) and continued despite the Euro's relative weakness against the Canadian dollar.

DC Europe Arrivals by Port of Entry

- In the first quarter of 2017, 75% of visitors from DC's European markets arrived by air directly from overseas. Among the remainder, UK travellers were the most likely to arrive by land via the US (9.0%), while visitors from France (25.7%) were the most likely to arrive by air via the US.
- Direct air arrivals from Germany (37.9%) and the UK (33.1%) most often came through YYZ. Half of French arrivals landed in YUL (50.5%), but YYZ (+72.3%) and YYC (+43.8%) saw significant increases in arrivals from this market in Q1 2017.

			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	12,456	16,360	35,034
		YOY%	72.3%	22.5%	10.3%
		% of Total	**15.1%**	**37.9%**	**33.1%**
	YVR	Arrivals	1,840	6,681	22,317
		YOY%	-11.1%	4.4%	13.7%
		% of Total	**2.2%**	**15.5%**	**21.1%**
	YUL	Arrivals	41,578	4,854	8,426
		YOY%	6.0%	-14.4%	-13.1%
		% of Total	**50.5%**	**11.2%**	**8.0%**
	YYC	Arrivals	817	4,047	13,091
		YOY%	43.8%	-5.8%	23.2%
		% of Total	**1.0%**	**9.4%**	**12.4%**
	All other airports	Arrivals	1,104	835	3,175
		YOY%	2.2%	2.8%	4.0%
		% of Total	**1.3%**	**1.9%**	**3.0%**
	Subtotal	Arrivals	57,795	32,777	82,043
		YOY%	15.1%	7.4%	7.2%
		% of Total	**70.1%**	**75.9%**	**77.6%**
Air Arrivals via the US	All airports	Arrivals	21,145	8,285	14,137
		YOY%	4.5%	-5.3%	-16.4%
		% of Total	**25.7%**	**19.2%**	**13.4%**
Sea Arrivals	All sea borders	Arrivals	32	6	7
		YOY%	146.2%	0.0%	-99.9%
		% of Total	**0.0%**	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	3,429	2,141	9,533
		YOY%	-10.6%	1.0%	6.0%
		% of Total	**4.2%**	**5.0%**	**9.0%**
Total Overnight Arrivals			**82,401**	**43,209**	**105,720**

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:

+25.2% ↑ YOY

YTD:

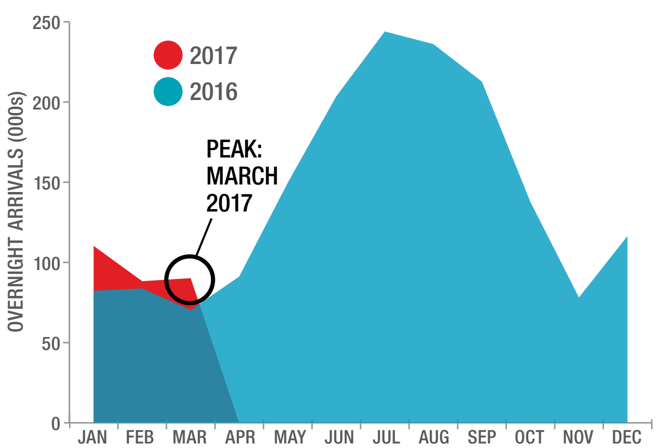
+21.2% ↑ YOY

Overnight Arrivals

	March 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**90,186**	**25.2**	**288,786**	**21.2**
Australia	12,350	15.5	52,780	23.7
China	28,595	22.7	104,353	17.2
India	12,866	33.0	31,643	19.9
Japan	23,905	28.6	59,779	28.0
South Korea	12,470	27.3	40,231	20.7
Other Asia-Pacific	**37,882**	**19.6**	**102,970**	**14.3**
Hong Kong	7,294	-18.7	24,187	-6.5
Taiwan	4,659	16.0	13,876	5.2
Rest of Asia-Pacific	25,929	22.4	64,907	15.6
Total Asia-Pacific	**128,068**	**20.6**	**391,756**	**17.5**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Asia-Pacific Arrivals



Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity[i]	Mar. 2017	114.0%	49.0%	64.9%	16.0%	35.2%
	YTD	100.4%	43.0%	63.6%	14.1%	33.0%
Exchange Rate[ii]	Mar. 2017	2.8%	-4.5%	2.9%	1.2%	5.7%
	YTD	1.3%	-8.6%	-3.0%	-2.4%	0.4%
YTD Arrival Peak[iii]	Peak Year	2016	2016	2016	1997	2007
	Current % of Previous Peak	123.7%	117.2%	119.9%	63.5%	111.2%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

ASIA-PACIFIC

- In March 2017 the Asia-Pacific region had the highest number of arrivals to Canada (90,186) of all of Destination Canada's key overseas regions, as well as the fastest growth (+25.2%), thanks to strong double digit growth from all five Asia-Pacific markets. The region also set new arrivals records both for March and for the first quarter of the year (288,786).
- India (+33.0%) led this region's positive performances in March, followed by Japan (+28.6%), South Korea (+27.3%), China (+22.7%), and Australia (+15.5%). China in particular rebounded sharply following the decline observed in February, attributable to the shift in the timing of Chinese New Year celebrations as compared to last year.
- All five Asia-Pacific markets also recorded double digit YTD growth over the first quarter of 2017: Japan (+28%), Australia (+23.7%), South Korea (+20.7%), India, (+19.9%), and China (+17.2%). Overall, the DC Asia-Pacific region recorded a +21.2% increase in arrivals over the first quarter of 2016.
- The broad expansion of air capacity across all five Asia-Pacific markets continued to support the ongoing growth in arrivals from this region despite weaker exchange rates in some markets, in particular for Australia (+114.0% in March), followed by India (+64.9%), China (+49.0%), South Korea (+35.9%), and Japan (+16.0%).

DC Asia-Pacific Arrivals by Port of Entry

- Overall two-thirds of visitors from this region were direct air arrivals, though Australia continued to stand out from the other markets with almost equal numbers arriving either direct (44.7%) or via the US by air (44.9%). Land arrivals via the US were most common from India (24.8%) and South Korea (21.6%).
- Most direct air arrivals from DC's Asia-Pacific markets arrived via YVR (55%) or YYZ (38%). However, visitors from China increasingly entered the country through YYC (+2296.7%) in Q1 2017.

			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	2,795	31,810	13,837	17,008	9,849
		YOY%	21.6%	14.4%	28.7%	77.1%	91.4%
		% of Total	**5.3%**	**30.5%**	**43.7%**	**28.5%**	**24.5%**
	YVR	Arrivals	19,951	44,257	4,908	24,503	13,729
		YOY%	59.6%	26.3%	89.0%	17.8%	7.8%
		% of Total	**37.8%**	**42.4%**	**15.5%**	**41.0%**	**34.1%**
	YUL	Arrivals	429	4,265	1,402	338	220
		YOY%	56.6%	34.4%	20.4%	40.2%	51.7%
		% of Total	**0.8%**	**4.1%**	**4.4%**	**0.6%**	**0.5%**
	YYC	Arrivals	305	2,205	1,232	2,090	112
		YOY%	26.0%	2,296.7%	10.4%	27.4%	-14.5%
		% of Total	**0.6%**	**2.1%**	**3.9%**	**3.5%**	**0.3%**
	All other airports	Arrivals	131	202	509	61	33
		YOY%	0.9%	0.3%	3.3%	0.2%	0.2%
		% of Total	**0.2%**	**0.2%**	**1.6%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	23,611	82,739	21,888	44,000	23,943
		YOY%	53.2%	24.9%	36.3%	36.1%	31.6%
		% of Total	**44.7%**	**79.3%**	**69.2%**	**73.6%**	**59.5%**
Air Arrivals via the US	All airports	Arrivals	23,691	15,915	2,900	13,066	6,294
		YOY%	9.8%	-1.5%	-8.7%	21.1%	0.3%
		% of Total	**44.9%**	**15.3%**	**9.2%**	**21.9%**	**15.6%**
Sea Arrivals	All sea borders	Arrivals	6	13	33	2	6
		YOY%	-25.0%	44.4%	10.0%	-66.7%	20.0%
		% of Total	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	5,470	5,686	6,822	2,711	9,988
		YOY%	-1.8%	-10.4%	-4.1%	-5.1%	19.6%
		% of Total	**10.4%**	**5.4%**	**21.6%**	**4.5%**	**24.8%**
Total Overnight Arrivals			**52,780**	**104,353**	**31,643**	**59,779**	**40,231**

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:

+6.7% ↑ YOY

YTD:

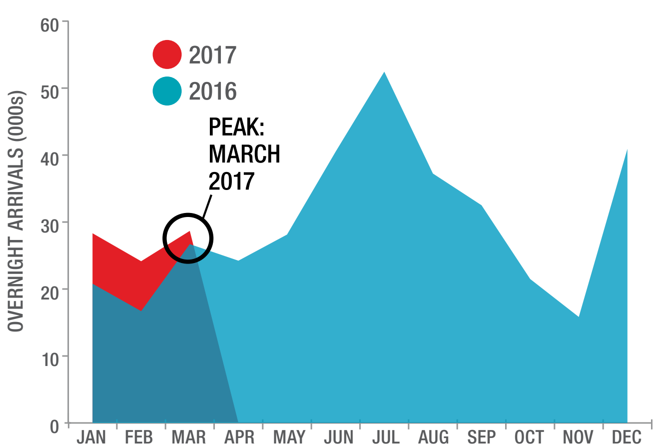
+26.1% ↑ YOY

Overnight Arrivals

	March 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**28,680**	**6.7**	**81,153**	**26.1**
Brazil	7,029	32.0	22,769	15.1
Mexico	21,651	0.5	58,384	31.0
Other Latin America	19,980	4.7	55,189	13.9
Total Latin America	**48,660**	**5.9**	**136,342**	**20.9**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Arrival Trend Plot – Total DC Latin America



DC Latin America: Key Indicators

		Brazil	Mexico
Air Seat Capacity[i]	March 2017	-35.9%	36.8%
	YTD	-38.4%	34.3%
Exchange Rate[ii]	March 2017	19.6%	-7.4%
	YTD	19.5%	-14.5%
YTD Arrival Peak[iii]	Peak Year	2015	2008
	Current % of Previous Peak	107.3%	123.0%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

LATIN AMERICA

- The growth in arrivals from DC's Latin America region over the first two months of 2017 slowed in March (+6.7%). However, over the first quarter of 2017 combined growth continued to outpace other regions (+26.1%), and new record arrivals peaks were still set for both March (28,680 visitors) and for Q1 2017 (81,153).
- This trend was due mainly to the cooling of arrivals growth from Mexico (+0.5%) following several months of outstanding performance since the replacement of the visa requirement with the Electronic Travel Authority (eTA) at the start of December. Though March visitation from Mexico was likely impacted by the Easter effect previously noted, year-to-date arrivals over the first quarter of 2017 performed very well (+31.0%), marking record arrivals for this period (58,384). Mexican travel to Canada continued to be supported by significant expansion of air capacity (+34.3% YTD), mitigating the effect of a weaker Peso (-14.5% YTD).
- By contrast, arrivals from Brazil (7,029, +32.0%) increased sharply in March 2017, outpacing Mexico in year-over-year growth for the month and bringing YTD growth up to +15.0%. This improvement is particularly notable given the ongoing contraction of air capacity to Canada (-35.9%), and may be supported by the recent positive trend observed with the strength of the Real vs. the Canadian dollar.

DC Latin America Arrivals by Port of Entry

- Most arrivals from Brazil (60.1%) and Mexico (60.0%) were direct air arrivals from overseas, with the majority landing at YYZ or YVR. The remainder of visitors from Brazil primarily entered Canada by air via the US (36.2%), while Mexican travellers came via the US both by air (18.6%) and by land (21.4%).
- In Q1 2017 the most significant increase in direct air arrivals from Brazil was observed at YVR (+90.1%), while direct air arrivals from Mexico increased most at YUL (+59.5%) and YYZ (+59.3%).

			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	12,825	16,068
		YOY%	32.5%	59.3%
		% of Total	**56.3%**	**27.5%**
	YVR	Arrivals	519	13,023
		YOY%	90.1%	36.0%
		% of Total	**2.3%**	**22.3%**
	YUL	Arrivals	301	4,954
		YOY%	37.4%	59.5%
		% of Total	**1.3%**	**8.5%**
	YYC	Arrivals	12	499
		YOY%	-7.7%	46.3%
		% of Total	**0.1%**	**0.9%**
	All other airports	Arrivals	27	478
		YOY%	0.3%	2.1%
		% of Total	**0.1%**	**0.8%**
	Subtotal	Arrivals	13,684	35,022
		YOY%	33.7%	49.3%
		% of Total	**60.1%**	**60.0%**
Air Arrivals via the US	All airports	Arrivals	8,239	10,883
		YOY%	-4.2%	15.6%
		% of Total	**36.2%**	**18.6%**
Sea Arrivals	All sea borders	Arrivals	0	0
		YOY%	0.0%	-100.0%
		% of Total	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	846	12,479
		YOY%	-90.2%	32.5%
		% of Total	**3.7%**	**21.4%**
Total Overnight Arrivals			**22,769**	**58,384**

Source: Statistics Canada, Frontier counts, custom tabulations, Table C.
Note: The figures are preliminary estimates and are subject to change.

COMPETITIVE REVIEW

January to March 2017		Trips To:			
		Canada		Australia	
Trips From:			YOY Change		YOY Change
Total International		**2,832,895**	**3.1%**	**2,274,400**	**4.7%**
United States		1,909,221	-1.1%	210,300	7.9%
Canada		...	...	55,900	11.8%
Europe	**United Kingdom**	105,720	3.1%	239,700	-0.5%
	France	82,401	10.8%	33,700	1.2%
	Germany	43,209	3.8%	64,600	5.7%
Asia-Pacific	**Australia**	52,780	23.7%	...	...
	Japan	59,779	28.0%	120,500	9.0%
	South Korea	40,231	20.7%	86,500	5.6%
	China	104,353	17.2%	418,700	7.4%
	India	31,643	19.9%	67,800	12.6%
Latin America	**Mexico**	58,384	31.0%	2,400	0.0%
	Brazil	22,769	15.1%	14,300	20.2%
Total DC Key Markets		**2,510,490**	**2.4%**	**1,314,400**	**6.3%**

Sources:
Statistics Canada, Frontier counts, custom tabulations.
Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- Through Q1 2017, international arrivals to Australia (+4.7%) continued to grow at a slightly faster rate than arrivals to Canada (+3.1%) over the same period last year. However, in line with past trends, Canada still welcomed more total visitors during this period (2.8 million vs. 2.3 million – a difference of 25%).
- Similarly, about 91% more travellers from Destination Canada's 11 core international markets visited Canada (2.5 million) than visited Australia (1.3 million) during Q1 2017, despite notably stronger year-over-year growth for Australia (6.3%, vs. 2.4% for Canada).
- This trend is highlighted when looking at US visitation, where Canada recorded a slight decline in overnight arrivals from its primary market (-1.1%) while Australia observed steady growth (+7.9%). At 1.9 million, Canada still welcomed over 8 times more US travellers than Australia (210,300).
- Australia received more than double the number of visitors from each of DC's Asia-Pacific markets in Q1 2017 (3 times more from China). However, Canada continued to make good progress, recording much faster year-over-year growth in arrivals from all four markets.
- Canadian travel to Australia (55,900, +11.8% year-over-year) slightly outpaced Australian travel to Canada (52,780, +23.7%) in the first quarter of 2017, despite slower year-over-year growth during this period.

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry

		Newfoundland and Labrador	Prince Edwad Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2017	4,931	39	8,644	16,384	450,025	1,290,327
	Variance YOY%	-1.4%	34.5%	10.3%	-6.7%	0.2%	5.2%
	Change YOY	(69)	10	808	(1,177)	976	63,751
US Residents by Automobile	2017	0	0	0	15,661	169,182	483,382
	Variance YOY%	0.0%	0.0%	0.0%	-7.3%	-4.2%	-4.9%
	Change YOY	-	-	-	(1,229)	(7,485)	(24,898)
US Residents by Non-Automobile	2017	925	22	5,259	505	129,122	403,670
	Variance YOY%	45.7%	-12.0%	24.7%	1.2%	2.2%	6.4%
	Change YOY	290	(3)	1,042	6	2,787	24,288
Residents from Other Countries	2017	4,006	17	3,385	218	151,721	403,275
	Variance YOY%	-8.2%	325.0%	-6.5%	26.7%	3.9%	19.0%
	Change YOY	(359)	13	(234)	46	5,674	64,361

Source: Statistics Canada, Frontier counts, custom tabulations.
Preliminary estimates subject to change.

Overnight Arrivals by Province of Entry

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2017	33,649	8,048	150,786	865,320	4,742	2,832,895
	Variance YOY%	1.4%	-30.5%	7.7%	1.5%	-13.7%	3.1%
	Change YOY	452	(3,537)	10,764	12,885	(750)	84,113
US Residents by Automobile	2017	22,401	5,254	11,442	342,508	4,204	1,054,034
	Variance YOY%	11.7%	-14.7%	-7.4%	-4.8%	-13.6%	-4.6%
	Change YOY	2,348	(909)	(917)	(17,335)	(663)	(51,088)
US Residents by Non-Automobile	2017	10,253	2,420	88,459	214,467	85	855,187
	Variance YOY%	-14.2%	-51.0%	4.4%	0.9%	-62.2%	3.6%
	Change YOY	(1,700)	(2,520)	3,759	1,960	(140)	29,769
Residents from Other Countries	2017	995	374	50,885	308,345	453	923,674
	Variance YOY%	-16.5%	-22.4%	18.4%	10.1%	13.3%	12.9%
	Change YOY	(196)	(108)	7,922	28,260	53	105,432

- Ontario continued to receive the largest proportion of international arrivals to Canada (1.3 million, 46% of total arrivals), followed by British Columbia (865,320, 31%), Quebec (450,025, 16%), and Alberta (150,786, 5%).

- Ontario (+63,751 additional visitors), British Columbia (+12,885), and Alberta (+10,764) recorded the biggest increases in total international visitors compared to the first quarter of 2016, with the largest gains coming from overseas visitors.

- The decrease in US auto arrivals to Canada over the first quarter of 2017 was apparent across almost all provinces, with the exception of Manitoba, which saw an 11.7% bump year-over-year.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	March 2017	YOY % Variance	Jan.- Mar. 2017	YOY % Variance
United States	1,844,396	2.6	4,610,202	5.2
Other Countries	1,414,140	6.5	3,938,470	4.2
Total Trips from Canada	3,258,536	4.2	8,548,672	4.7

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

- Overnight trips by Canadians to all international destinations increased in March 2017, reaching 3.3 million, up 4.2%, year-over-year. The number of overnight trips by Canadians to the US increased for a fourth consecutive month (+2.6%), mostly due to Canadians travelling by air (+10.2% by air, -3.8% by auto, -9.2% other modes), while overnight trips to other non-US overseas destinations increased by 6.5% year-over-year.

- In the first quarter of 2017 overall, overnight travel by Canadians to international destinations was up 4.7%. Trips to the US – up 5.2% – outpaced outbound trips to other international destinations – up 4.2%.

- Following a remarkable increase in February 2017, the Canadian Consumer Confidence Index (published by the Conference Board of Canada) inched up a further 1.1 points in March to reach 111.7, the highest level recorded since January 2010.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Mar. 2017	YOY^ Variance	Jan.-Mar.	YOY^ Variance	Mar. 2017	YOY % Variance	Jan.-Mar.	YOY % Variance	Mar. 2017	YOY % Variance	Jan.-Mar.	YOY % Variance
Alberta[1]	52.8%	3.0	47.7%	1.1	$128.57	-1.7%	$127.89	-2.6%	$67.83	4.1%	$61.05	-0.4%
British Columbia	66.9%	0.9	61.3%	2.1	$152.39	3.1%	$153.50	4.6%	$101.94	4.6%	$94.05	8.4%
Saskatchewan	53.1%	1.7	48.0%	-1.6	$121.94	-4.6%	$121.26	-5.0%	$64.75	-1.4%	$58.21	-8.1%
Manitoba	70.8%	8.2	63.3%	4.6	$121.39	3.0%	$120.05	1.5%	$85.90	16.5%	$75.94	9.5%
Ontario	61.9%	3.0	57.9%	1.3	$143.21	6.4%	$139.83	3.6%	$88.61	11.8%	$80.90	5.9%
Quebec	62.1%	2.8	60.6%	3.1	$147.73	2.1%	$149.05	3.4%	$91.73	6.9%	$90.36	9.0%
New Brunswick	51.0%	4.3	45.8%	4.0	$113.98	5.8%	$111.34	3.4%	$58.14	15.6%	$51.00	13.3%
Nova Scotia	63.8%	7.2	51.6%	2.3	$123.82	4.4%	$120.77	2.4%	$78.95	17.8%	$62.35	7.2%
Newfoundland	62.1%	8.8	50.4%	3.9	$136.40	2.8%	$132.42	-0.4%	$84.64	19.7%	$66.71	7.9%
Prince Edward Island	36.0%	-1.1	39.2%	-0.1	$104.09	8.8%	$104.40	4.8%	$37.45	5.7%	$40.95	4.6%
Northwest Territories	81.5%	-7.9	78.5%	-3.7	$147.61	-9.8%	$148.15	-4.4%	$120.26	-17.8%	$116.37	-8.8%
Yukon	62.4%	0.0	57.0%	-0.1	$117.98	0.2%	$115.69	2.5%	$73.64	0.2%	$65.91	2.2%
Canada	**60.6%**	**2.7**	**55.9%**	**1.6**	**$141.38**	**2.9%**	**$140.38**	**2.3%**	**$85.71**	**7.7%**	**$78.53**	**5.3%**

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.

Source: CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.
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- The National Occupancy Rate increased by 2.7 points year-over-year to reach 60.6% in March 2017, bringing the Q1 2017 occupancy rate to 55.9%, up 1.6 points over Q1 2016.
- The highest occupancy rates both for the month of March and the first quarter of 2017 were observed in Northwest Territories (81.5% in March, 78.5% YTD), Manitoba (70.8% in March, 63.3% YTD), and British Columbia (66.9% in March, 61.3% YTD). Manitoba also noted some of the strongest year-over-year growth in occupancy rate, along with Newfoundland, Nova Scotia, and New Brunswick.
- British Columbia and Northwest Territories were also top performers, along with Quebec, both in March and over Q1, for average daily rate (ADR) and revenue per available room (RevPar). Strong year-over-year growth was also observed in Prince Edward Island, Ontario, and New Brunswick.
- Despite its strong performance across all three accommodation measures, the Northwest Territories continued to observe year-over-year declines across the board both for March and Q1 2017. Alberta and Saskatchewan also continued to see year-over-year declines in several areas, but showed some signs of improvement in March.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	Mar. 2017	YOY^ Change	Jan.- Mar.	YOY^ Variance	Mar. 2017	YOY Variance	Jan.- Mar.	YOY Variance
Property Size								
Under 50 rooms	44.3%	1.1	41.3%	2.2	$103.16	3.1%	$102.59	2.7%
50-75 rooms	52.2%	2.3	48.2%	1.6	$106.39	0.9%	$105.34	0.8%
76-125 rooms	59.3%	3.1	54.1%	1.8	$121.47	0.6%	$121.09	0.3%
126-200 rooms	62.2%	3.0	56.9%	1.4	$130.43	2.9%	$129.76	3.0%
201-500 rooms	64.2%	2.3	59.8%	1.1	$164.49	3.4%	$164.40	3.0%
Over 500 rooms	68.0%	2.6	64.5%	2.2	$204.74	8.2%	$196.20	5.4%
Total	60.6%	2.7	55.9%	1.6	$141.38	2.9%	$140.38	2.3%
Property Type								
Limited Service	55.2%	2.7	50.5%	2.0	$110.70	1.6%	$109.54	0.9%
Full Service	62.7%	2.9	57.8%	1.3	$149.82	4.4%	$146.83	2.8%
Suite Hotel	70.9%	2.7	65.8%	1.3	$146.24	1.0%	$145.42	1.3%
Resort	62.4%	0.1	59.9%	1.9	$218.70	2.2%	$231.71	6.4%
Total	60.6%	2.7	55.9%	1.6	$141.38	2.9%	$140.38	2.3%
Price Level								
Budget	52.2%	2.3	48.5%	2.2	$93.06	4.9%	$91.95	4.4%
Mid-Price	62.1%	2.6	56.8%	1.2	$134.66	2.6%	$133.04	1.8%
Upscale	66.1%	3.4	63.1%	2.3	$225.76	2.9%	$225.16	3.4%
Total	60.6%	2.7	55.9%	1.6	$141.38	2.9%	$140.38	2.3%

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.

- Occupancy rate and average daily rates both increased with the size of the property, with the largest properties (500+ rooms) reporting the highest occupancy rates (68.0% in March, 64.5% YTD) and average daily rates ($204.74 in March, $196.20 YTD). These larger properties also noted the strongest year-over-year growth in average daily rate, both in March and over the first quarter of 2017, though some smaller properties also recorded promising growth across both accommodation measures.

- Suite hotels continued to record the highest occupancy rates (70.9% in March, 65.8% YTD), while resorts recorded the highest ADR ($218.70 in March, $231.71 YTD). Relatively strong year-over-year growth in both measures was generally observed across all property types.

- Upscale properties had the highest occupancy rates and average daily rates in March and over the first quarter, but properties in all three price levels observed positive year-over-year growth for both indicators.

DC CONSUMER AND MARKET INTELLIGENCE