

CANADA HOSPITALITY INNSIGHTS Q1 2026

Better never settles

01 Canada Hotel
Performance
Update

02 FIFA World Cup
2026™

03 Hotel Cap Rates
(Q1 2026)

04 CHIC30 Recap
& Key Takeaways

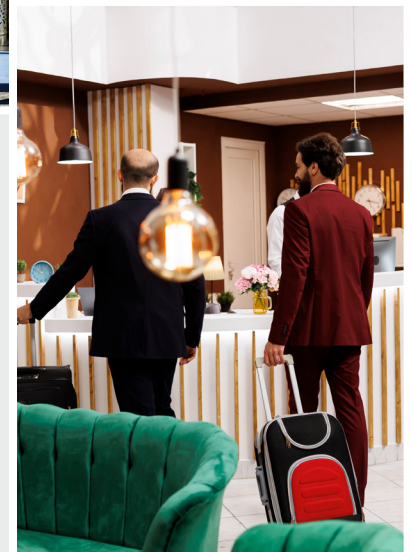
Introduction to Q1 Insights

The strength of hotel performance in Q1 2026 has surprised many in the industry, as the momentum of growth has continued into the first three months of the year. Nationally, revenue per available room (RevPAR) increased by 6.8% in Q1, setting a positive tone for the months ahead. Current indicators suggest a favourable outlook for both Q2 and Q3.

This summer, the Canadian market is well positioned to continue to benefit from shifting travel patterns, including reduced outbound travel to the U.S. by both Canadians and international visitors. At the same time, overseas travel by Canadians may be tempered by elevated costs and ongoing geopolitical uncertainty in the Middle East.

Based on year-to-date performance, it is increasingly likely that earlier growth forecasts will prove conservative.

Industry sentiment remains highly optimistic, as reflected in discussions among panelists at the recent Canadian Hotel Investment Conference and Capital Program. Developers and investors are viewing new supply opportunities more favourably, supported by declining land and construction costs across several major markets over the past 2-3 years. In addition, capital availability remains strong, providing further momentum for continued investment and expansion within the sector.



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Overview

Canadian hotel performance is off to a strong start in Q1 2026. Overall demand levels remain relatively healthy, supporting solid gains in ADR.

As of Q1 2026, RevPAR performance in Canada has increased by 6.8% compared to the same period in 2025. This growth was driven by a 5% increase in ADR.

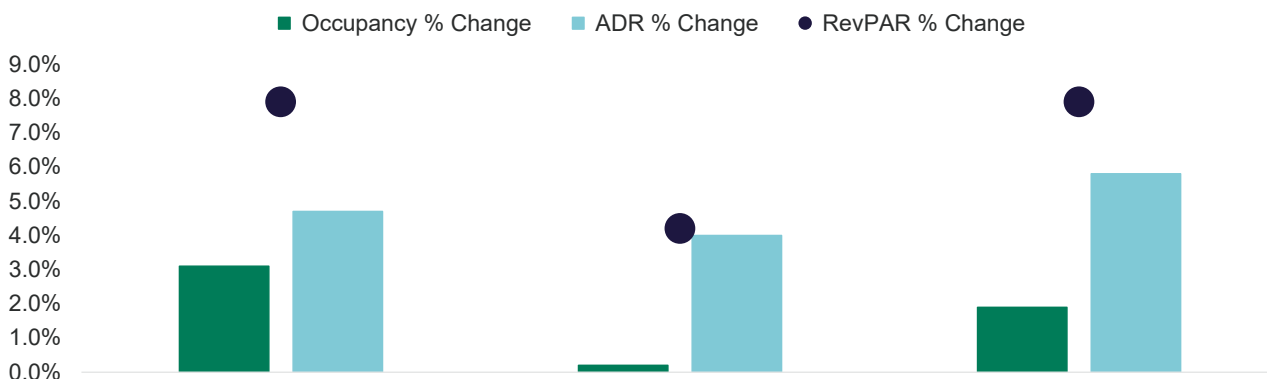
Q1 2026
(% change from Q1 2025)

Occupancy:
56.7% (+1.7%)

Average Daily Rate (ADR):
\$195.31 (+5.0%)

Revenue Per Available Room (RevPAR):
\$110.65 (+6.8%)

KPIs % Change (Month in 2026 vs. Same Month Last Year)



2026	January	February	March
Occ	52%	58%	61%
ADR	\$189	\$197	\$198
RevPAR	\$97	\$114	\$120

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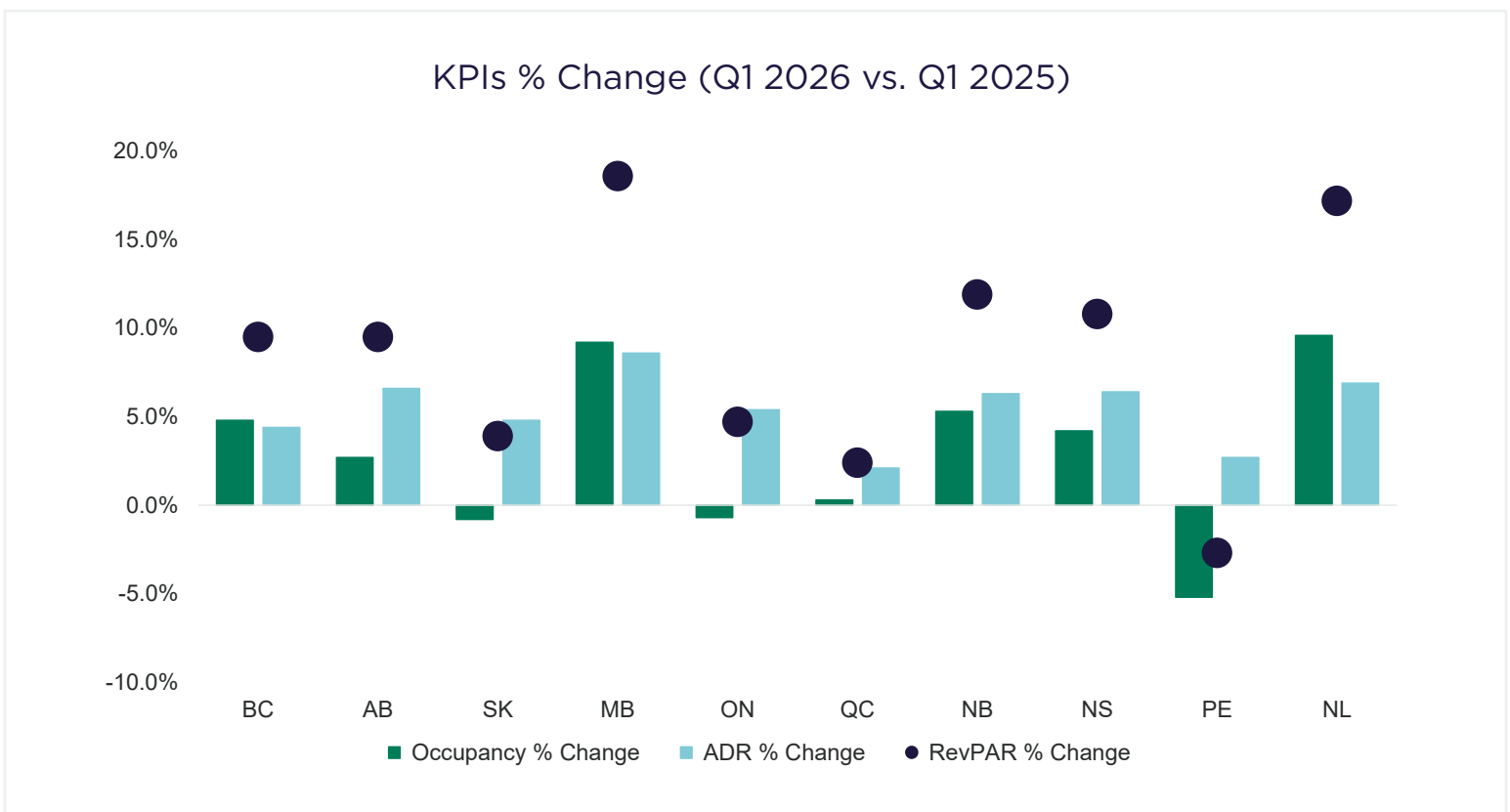
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Provincial Performance

In the first quarter of 2026, all provinces, except Prince Edward Island, recorded positive RevPAR performance. With the exception of Saskatchewan, Ontario, and Prince Edward Island, which reported lower occupancy, all provinces showed YTD growth in both occupancy and ADR.

Manitoba (18.6%), Newfoundland and Labrador (17.2%), New Brunswick (11.9%), and Nova Scotia (10.8%) posted the strongest RevPAR growth among provinces in Q1 2026. This was followed by Alberta and British Columbia (9.5%).



Source: CoStar

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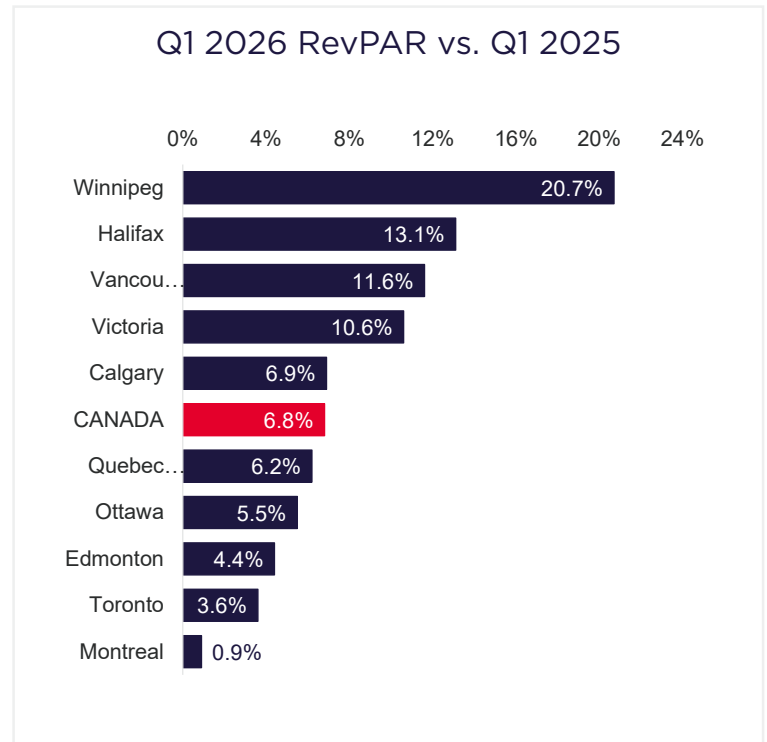
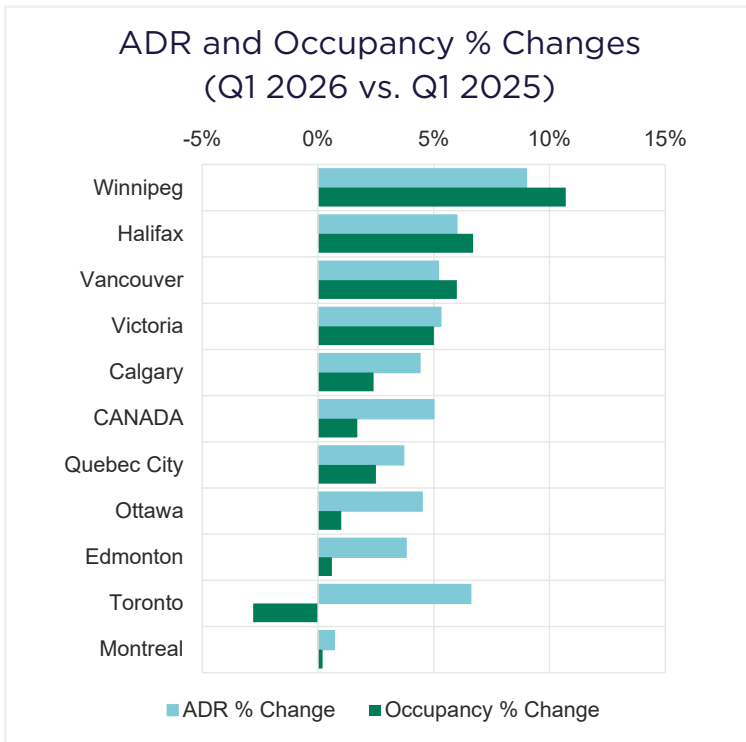
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Major Canadian Markets Performance

In Q1 2026, all major markets posted RevPAR growth.



Source: CoStar

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Tempered World Cup Expectations

Thursday, June 11, 2026, to Sunday, July 19, 2026

As the World Cup kicks off in under two months, hoteliers in Vancouver and Toronto are reporting lower than anticipated demand, headlined by FIFA releasing tens of thousands of hotel group room blocks. Similar to host cities in the U.S. and Mexico, the men's tournament outlook is impacted by short booking windows, elevated match ticket prices, surging gas prices and airfares, and geopolitical conflicts. **Tourism Economics identified Argentina, Brazil, England, France, and Portugal to have the fan bases most likely to have the largest impact on hotel market performance; none of these countries has a group stage match in Canada.**

Canada is hosting the World Cup for the first time. Vancouver will host 5 group stage matches and 2 knockout stage matches. Toronto will also host 5 group stage matches, but only one knockout stage match. With a match scheduled every 4 days on average, hoteliers are expecting demand and room rate compression to peak on match days and the days prior. The majority of matches will be held in June – CoStar reported 86.9% occupancy in Vancouver and 83% occupancy in Toronto last year. **Given high occupancy levels already expected for the summer month, the tournament's main upside for hoteliers will be driving ADR around match days.**



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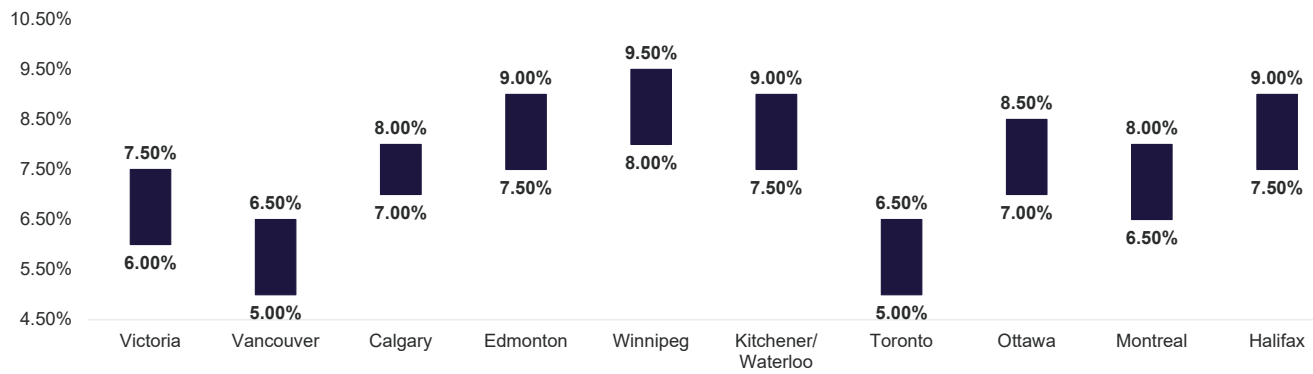
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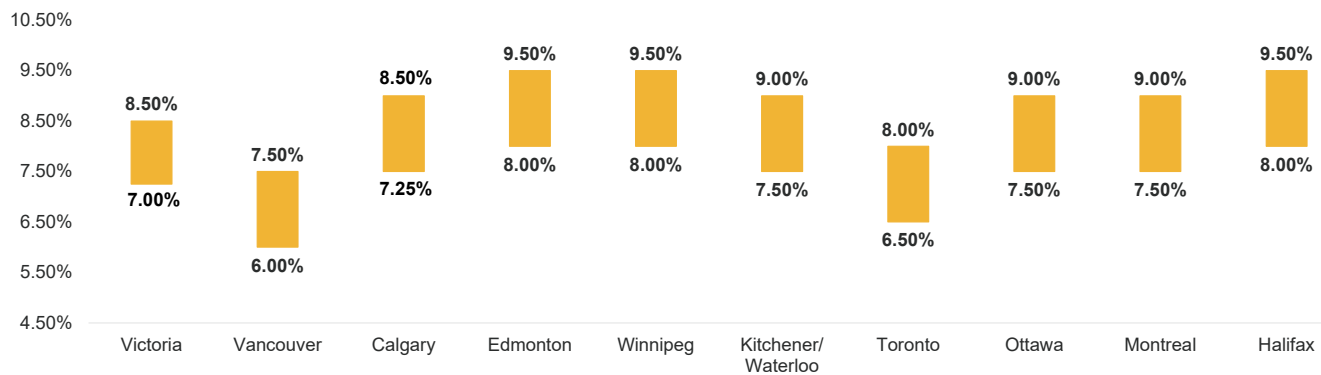
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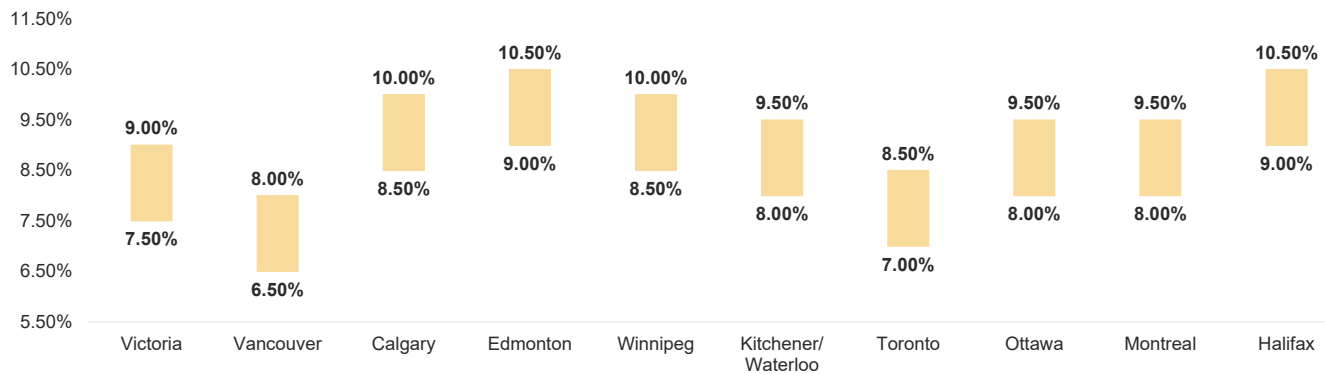
Full-service Downtown



Select-service



Limited-service Suburban



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New Developments

This year's Canadian Hotel Investment Conference (CHIC) marked the event's 30th anniversary and highlighted the strong positioning of the Canadian accommodation industry.

Key takeaways include:

- The hotel market is off to a strong start in Q1 with positive RevPAR growth;
- Increased economic and geopolitical uncertainty and global turmoil to start off the year; however, Canada's positioning as a safe and welcoming country is fortuitous;
- Canada is well positioned to see RevPAR growth continue throughout the rest of the year;
- The impact of major events in 2026, such as the FIFA World Cup, remains to be seen;
- Many panelists mentioned trends in experiential travel and unique guest offerings, with design-led hotels growing in popularity;
- Cushman's Lauren Arnold was featured on the panel 'Beyond the Five-Star: Investing in the New Luxury Stay' which discussed the growing segment of boutique luxury hotels and valuation implications;
- Boutique luxury hotels are a growing trend, offering unique experiences and achieving strong ADRs;
- International interest to visit Canada is increasing, particularly from Latin American countries and wealthy travelers.





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