

CANADA HOSPITALITY **INNSIGHTS** Q3 2026

CUSHMAN & WAKEFIELD

Better never settles

01 Canada Hotel **Performance Update**

02 International Society of Hospitality Consultants **2026 Conference**

03 AMEX Global Business Travel Hotel Monitor **2027 Forecast**

04 Hotel Cap Rates **(Q3 2026)**

Q3 Innsights



The Canadian hospitality sector continued to record strong revenue growth through the first three quarters of 2026, indicating a strong summer tourism period. Across the broader national market, room demand grew by 1.6%, offset by a very modest 0.5% growth in supply. ADR continued to increase strongly increasing by 6.7% in the YTD period and resulting in RevPAR growth of 7.9%.

ADR growth was particularly strong in the luxury segment, where rates increased by 13.7% year-over-year, followed by the upper-upscale segment at 8.3%. However, upscale hotels saw the strongest growth in demand at 8.7%. Resort hotels recorded the strongest ADR growth for the period at 13.2%, followed by urban hotels at 8.9%. The strongest growth in demand was seen at airport hotels (+8.5%) and small metro/towns (+6.0%).

Strong, consistent results have supported an increase in proposed hotel supply across the country, however recent supply growth has been sluggish, with an increase of available rooms of only 0.4% in the YTD September 2026 period. According to CoStar, the supply pipeline across all stages of development has increased by approximately 17% since Q3 2025, to ±51,000 rooms.

As noted in our previous 2026 Outlooks, the sector continues to perform well and is poised to outperform earlier forecasts, supported by continued momentum over the summer tourism period. Travel outlooks indicate the strongest growth in tourism travel is being driven by international and domestic markets.



01 Canada Hotel **Performance Update**

01 Canada Hotel **Performance Update**

02 International Society of Hospitality Consultants **2026 Conference**

03 AMEX Global Business Travel Hotel Monitor **2027 Forecast**

04 Hotel Cap Rates **(Q3 2026)**

Overview

National hotel performance remained strong through the first three quarters of 2026, with ADR gains across all major markets and some variations in occupancy performance.

Compared to the same period in 2025, Canadian hotels recorded an impressive 7.9% increase in RevPAR, mostly from a 6.7% increase in ADR.

Year-to-Date (YTD) September 2026

(% change from YTD September 2025)

Occupancy:
68.6% (+1.1%)

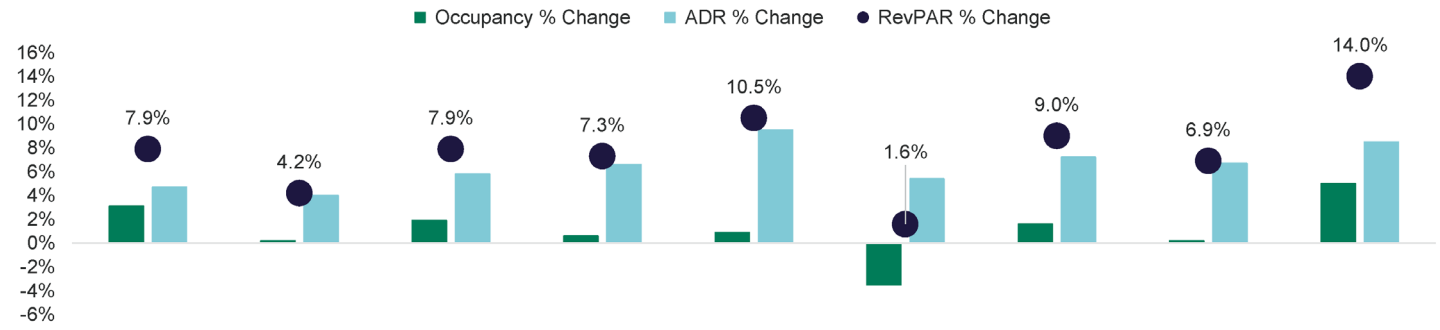
Average Daily Rate (ADR):
$235.00 (+6.7%)

Revenue Per Available Room (RevPAR):
$161.19 (+7.9%)

CANADIAN HOTEL PERFORMANCE

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

CUSHMAN & WAKEFIELD



2026	January	February	March	April	May	June	July	August	September
Occ	52%	58%	61%	64%	71%	73%	79%	81%	78%
ADR	$189	$197	$198	$202	$233	$253	$267	$267	$258
RevPAR	$97	$114	$120	$128	$165	$184	$211	$216	$201

Source: CoStar



01 Canada Hotel **Performance Update**

01 Canada Hotel **Performance Update**

02 International Society of Hospitality Consultants **2026 Conference**

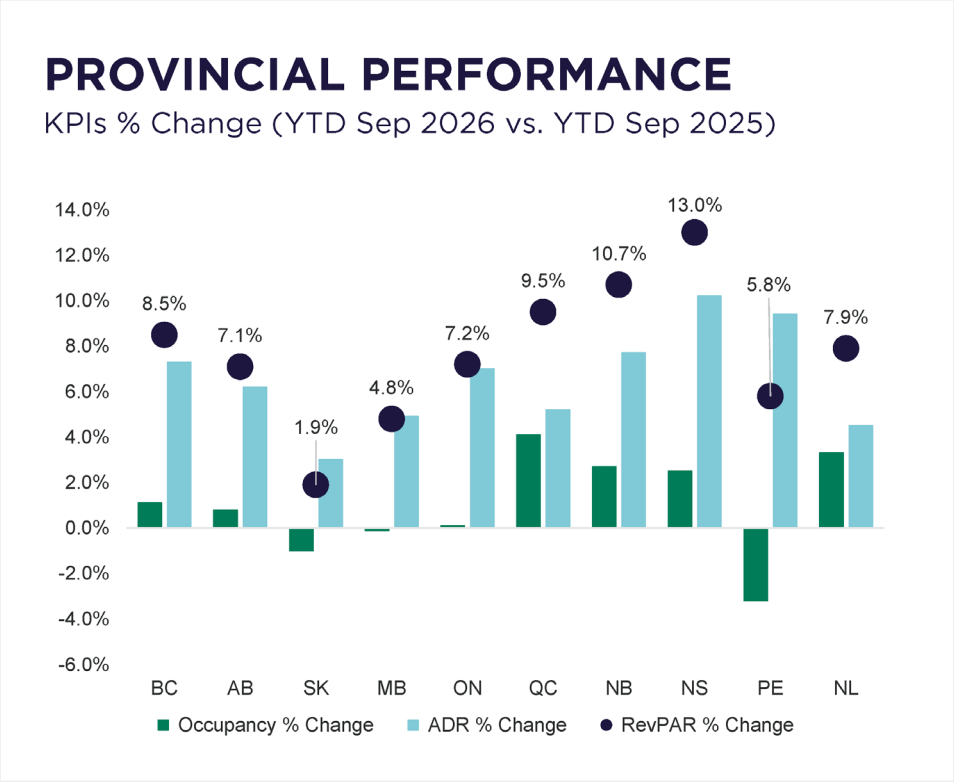
03 AMEX Global Business Travel Hotel Monitor **2027 Forecast**

04 Hotel Cap Rates **(Q3 2026)**

Provincial Performance

In the first three quarters of 2026, all provinces recorded positive RevPAR growth amidst continuing strong performance in ADR. While only Prince Edward Island, Saskatchewan, and Manitoba reported declines in occupancy, all provinces posted year-to-date ADR growth with most showing ADR growth above 5% for the period.

Nova Scotia (+13.0%), New Brunswick (+10.7%), Quebec (+9.5%), and British Columbia (+8.5%) recorded the strongest RevPAR growth in YTD Q3 2026, followed by Newfoundland & Labrador (+7.9%), Ontario (+7.2%), and Alberta (+7.1%).



Source: CoStar



01 Canada Hotel **Performance Update**

01 Canada Hotel **Performance Update**

02 International Society of Hospitality Consultants **2026 Conference**

03 AMEX Global Business Travel Hotel Monitor **2027 Forecast**

04 Hotel Cap Rates **(Q3 2026)**

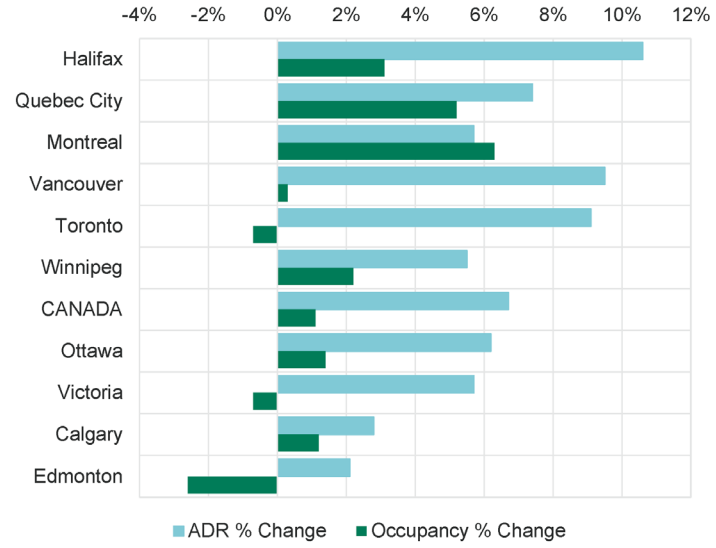
Major Markets Performance

In the first three quarters of 2026, 9 of 10 major markets posted RevPAR growth, with Halifax, Quebec City, Montreal, and Vancouver posting the strongest growth. Only Edmonton showed a small overall decline due to special event business that occurred in 2025.

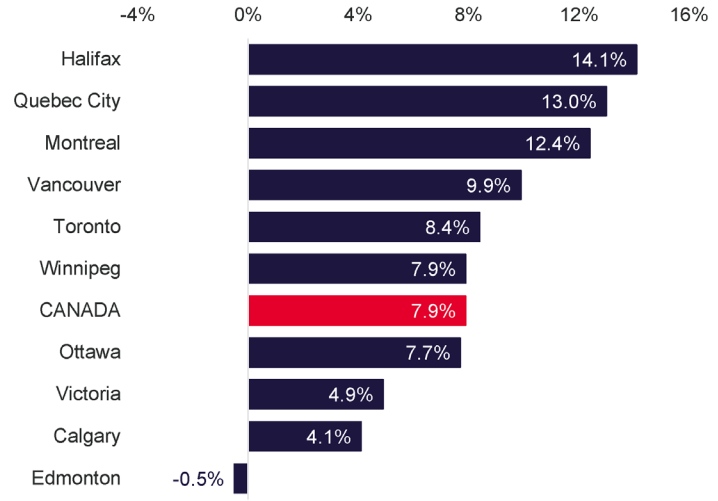
MAJOR CANADIAN MARKETS

CUSHMAN & WAKEFIELD

ADR and Occupancy % Changes (YTD Sep 2026 vs. YTD Sep 2025)



YTD Sep 2026 RevPAR vs. YTD Sep 2025



Source: CoStar



02 International Society of Hospitality Consultants 2026 Conference

01 Canada Hotel **Performance Update**

02 International Society of Hospitality Consultants **2026 Conference**

03 AMEX Global Business Travel Hotel Monitor **2027 Forecast**

04 Hotel Cap Rates **(Q3 2026)**

Cindy Schoenauer attended the 2026 Annual Conference for the **International Society of Hospitality Consultants (ISHC)** in Rome over September 24-26, 2026.



The overarching message from **Tourism Economics** and **HotStats/CoStar** is that **global travel demand is healthy and structurally supported through 2035, but success will depend on managing costs, leveraging AI, attracting higher-value travelers, and converting revenue growth into sustainable profit growth.** Europe, Canada, and several Asia-Pacific markets are currently leading performance, while emerging economies will fuel the next wave of tourism demand.

Here are some key takeaways from data presented by David Goodger (Managing Director at Tourism Economics) and Michael Grove (CEO at HotStats):

1. Global travel demand remains remarkably resilient

Despite geopolitical tensions, slowing economic growth, and inflationary pressures, international travel continues growing. Tourism Economics forecasts record **global arrivals of 1.61 billion in 2026,** exceeding pre-pandemic levels and reaching **2.38 billion by 2035.**

2. Growth is broad-based across most destinations

About **70% of countries are reporting tourism growth in 2026,** with 22% experiencing growth above 10%. Strong performers include **South Korea, Vietnam, Greece, and Italy.** Geopolitical events affecting the Middle East and Gulf Cooperation Council countries.

3. Europe remains a standout hotel profit region

HotStats data shows several European markets delivering strong profit growth in 2026. **Italy leads major European countries with GOPPAR growth of approximately 18% and TrevPAR growth of 10% year-to-date,** while Switzerland, Poland, France, and Spain are also posting solid gains.

4. Canada is one of the strongest-performing hotel markets

Among the Americas, **Canada recorded TrevPAR growth of 12% and GOPPAR growth of 14%,** outperforming the United States and many regional peers. Hotel profitability continues to improve despite broader concerns around cross-border travel trends.



02 International Society of Hospitality Consultants 2026 Conference

01 Canada Hotel **Performance Update**

02 International Society of Hospitality Consultants **2026 Conference**

03 AMEX Global Business Travel Hotel Monitor **2027 Forecast**

04 Hotel Cap Rates **(Q3 2026)**

Here are some key takeaways from data presented by David Goodger (Managing Director at Tourism Economics) and Michael Grove (CEO at HotStats):

5. Asia-Pacific is shifting from recovery to sustainable growth

Markets such as **Vietnam, South Korea, China, and India** are posting strong revenue and profit improvements. Vietnam's GOP margins have risen to nearly **44%,** while South Korea's margins have surpassed **30%,** signaling a return to healthy operating performance.

6. Hotel revenues are growing, but costs remain a major challenge

Globally (excluding the Middle East), hotel revenues are increasing across all departments:

- Rooms RevPAR: +6.2%
- Wellness: +6.2%
- Golf: +6.7%
- Food & Beverage: +3.8%
- Meetings & Events: +3.4%

However, labor costs and operating expenses continue rising, putting pressure on margins.

7. Labour remains the industry's biggest expense battle

Total labor costs increased approximately **4.6% year-over-year,** while revenue grew about 5.3%. Hotels continue facing challenges from wage inflation, labour shortages, and competition from other industries.

8. Emerging markets will drive long-term travel growth

Tourism Economics identifies **India, China, Indonesia, Vietnam, Bangladesh, and the Philippines** as key sources of future travel demand. Rising middle classes and expanding "travel households" will support global tourism growth through 2035 and beyond.

02 International Society of Hospitality Consultants 2026 Conference



Here are some key takeaways from data presented by David Goodger (Managing Director at Tourism Economics) and Michael Grove (CEO at HotStats):

9. AI is transforming travel planning and distribution

The presentation highlights that:

- **56% of U.S. travelers have used AI for trip planning**
- **AI search is reducing destination website traffic**
- **The International Data Corporation project 30% of travel bookings may be executed directly by AI agents by 2030**

This could significantly alter hotel distribution channels, marketing, and customer acquisition strategies.

10. The future is value creation, not just volume growth

A common theme across Tourism Economics and hotel performance data is that destinations and hotels must focus on:

- **Higher-value travelers**
- **Premium experiences**
- **Longer stays**
- **Ancillary revenue growth**
- **Profitability rather than occupancy alone**
- **The strongest-performing destinations are increasingly those that convert demand into higher spend and stronger margins, not simply more visitors.**





03 AMEX Global Business Travel Hotel Monitor **2027 Forecast**

01 Canada Hotel **Performance Update**

02 International Society of Hospitality Consultants **2026 Conference**

03 AMEX Global Business Travel Hotel Monitor **2027 Forecast**

04 Hotel Cap Rates **(Q3 2026)**

American Express Global Business Travel Hotel Monitor 2027 was released in September and outlines AMEX's expectations for rate growth in major cities worldwide. Their forecast is based on their analysis of AMEX GBT data, along with IMF economic and inflation forecasts for the various regions.

This year AMEX has forecasted using ranges for the first time due to the uncertainty around events in the Middle East, inflation etc. Depending on these outcomes, rates in Canada are expected to grow at less than 3% and could be as low as 0.5% in some markets.

A summary of their projections for ADR growth in 2027 follows:

- Montreal: 0.5%-2.2%
- Ottawa: 1.9%-2.9%
- Toronto: 0.5%-1.5%
- Calgary: 1.9%-2.9%
- Vancouver: 1.4%-2.5%



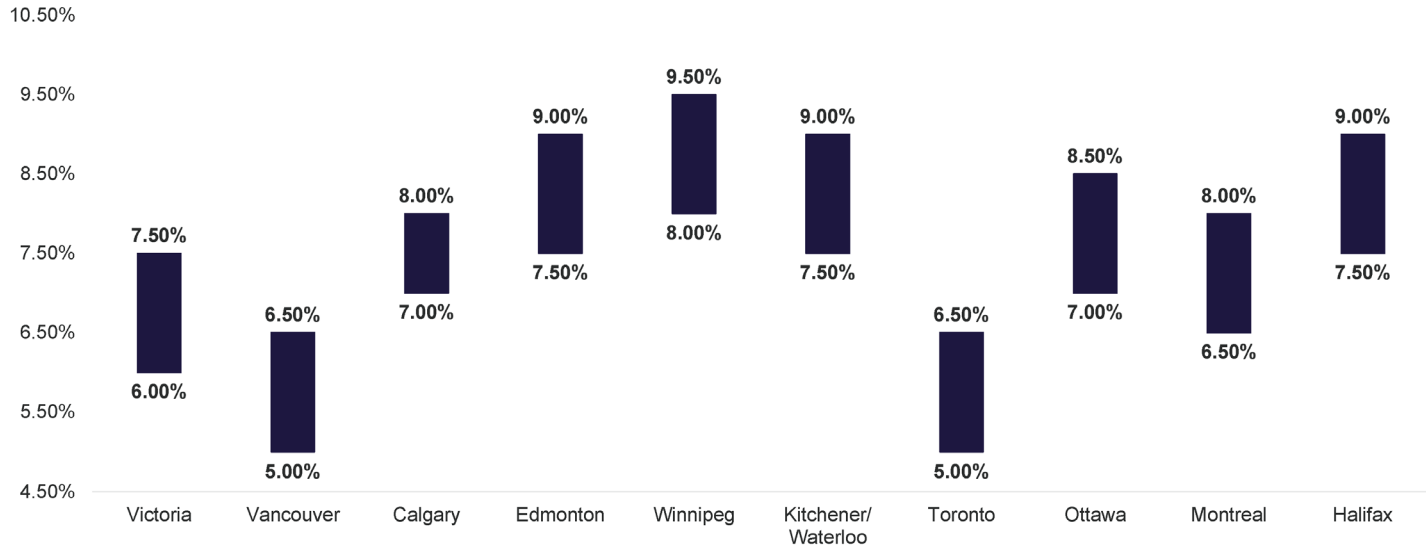


04 Hotel Cap Rates (Q3 2026)

HOTEL CAP RATES (Q3 2026)

Full-service Downtown

CUSHMAN & WAKEFIELD





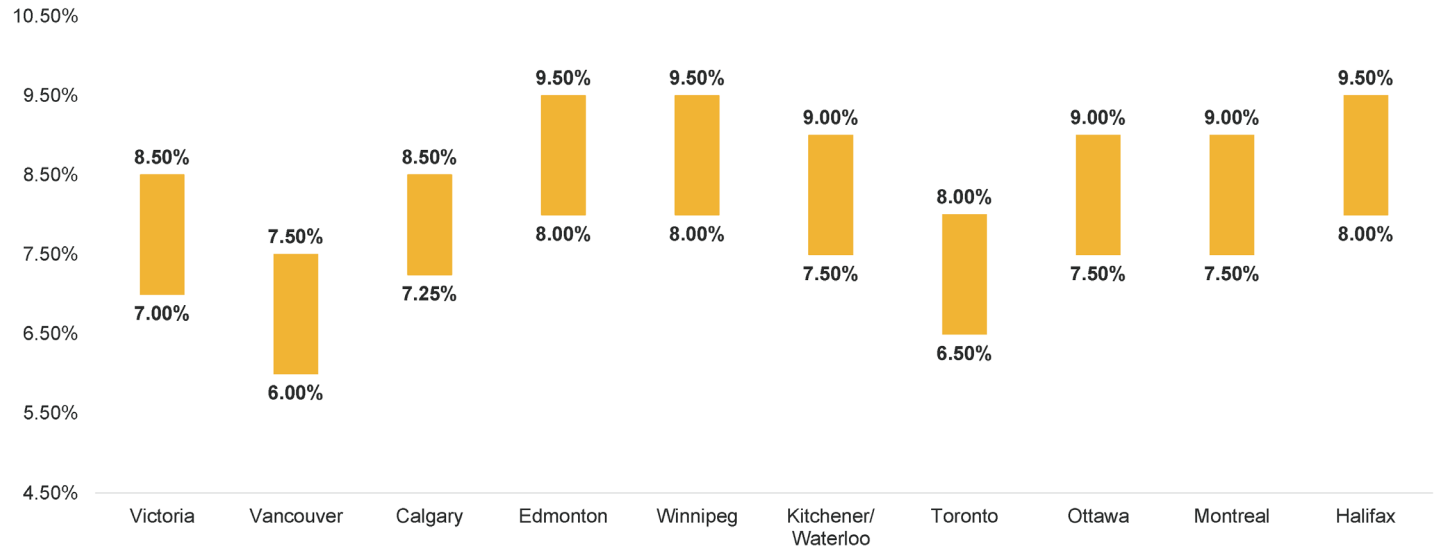


04 Hotel Cap Rates (Q3 2026)

HOTEL CAP RATES (Q3 2026)

Select-service

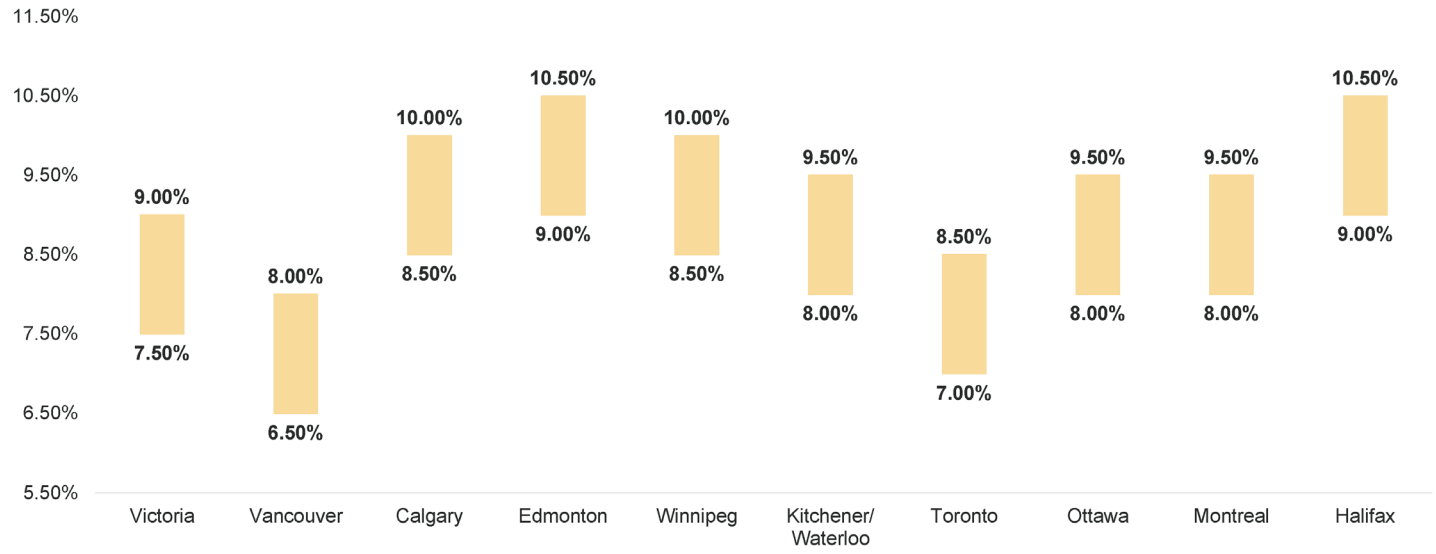
CUSHMAN & WAKEFIELD



HOTEL CAP RATES (Q3 2026)

Limited-service Suburban

CUSHMAN & WAKEFIELD



CUSHMAN & WAKEFIELD

HOSPITALITY & LEISURE PRACTICE GROUP CONTACTS

BRIAN FLOOD, P.App., AACI
Vice Chairman & Practice Leader
Direct: +1 416 359 2387
brian.flood@cushwake.com

DANIEL FUNG, P.App., AACI
Associate Vice President
Direct: +1 416 359 2479
daniel.fung@cushwake.com

DANTE MACRI
Consultant
Direct: +1 416 359 2564
dante.macri@cushwake.com

CINDY SCHOENAUER, ISHC, P.App., AACI
Senior Vice President
Direct: +1 604 340 9141
cindy.schoenauer@cushwake.com

GAITH SAQQA, P.App., AACI
Associate Vice President
Direct: +1 416 359 2595
gaith.saqqa@cushwake.com

LAURIN PATERSON
Consultant
Direct: +1 416 359 2566
laurin.paterson@cushwake.com

VADESS JOHAN, P.App., AACI
Senior Vice President
Direct: +1 416 359 2374
vadess.johan@cushwake.com

VANESSA BOLAND
Senior Consultant
Mobile: +1 778 513 0857
vanessa.boland@cushwake.com

MAI ANH VU
Consultant
Direct: +1 416 359 2609
maianh.vu@cushwake.com

LAUREN ARNOLD, P.App., AACI
Vice President
Direct: +1 416 359 2478
lauren.arnold@cushwake.com

Cushman & Wakefield ULC
161 Bay Street, Suite 1500
Toronto, ON, M5J 2S1

700 West Georgia Street, Suite 1200
Vancouver, BC, V7Y 1A1

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.