

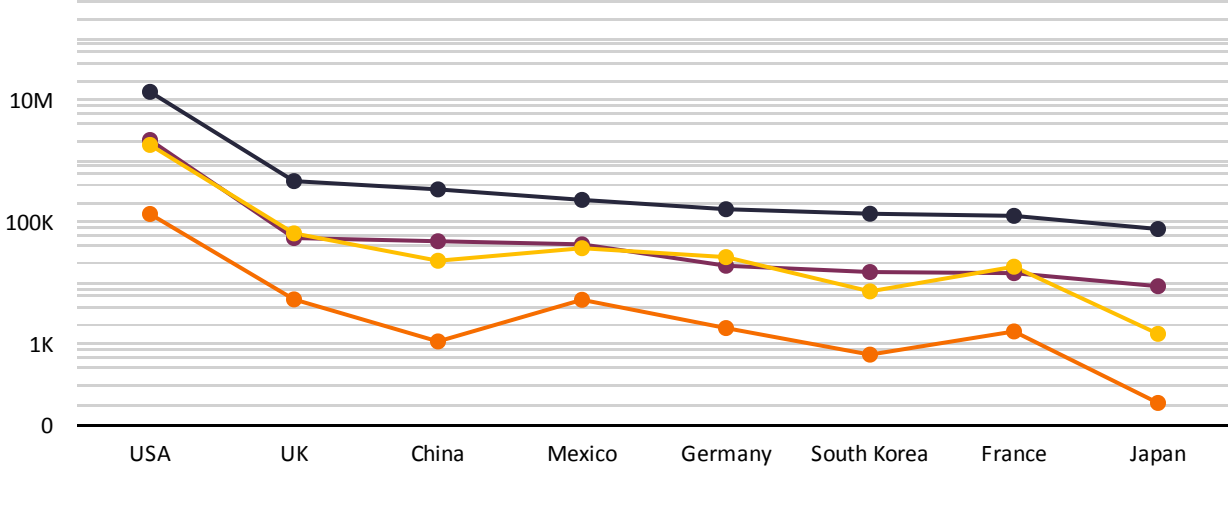
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Ontario Tourism

Industry Health Check

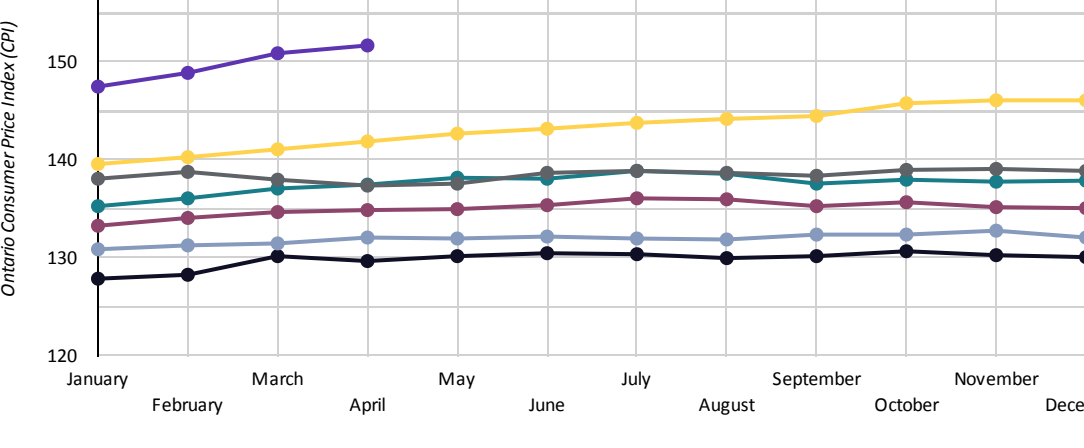
ONTARIO'S BORDER CROSSINGS FOR KEY MARKETS¹

Markets	Border Crossings (2019)	Border Crossings (2020)	%Change (2019 vs 2020)	Border Crossings (2021)	%Change (2020 vs 2021)	Border Crossings (Mar 2022)	% Change (Mar 2021 vs Mar 2022)	% Change (Mar 2019 vs Mar 2022)
USA	13.2M	2.1M	-83.8%	1.8M	-16.9%	219K	287.0%	-71.6%
UK	453.2K	52.9K	-88.3%	63.1K	19.3%	9.7K	562.5%	-49.0%
China	331.7K	46.9K	-85.9%	22.4K	-52.1%	1.5K	-28.3%	-90.6%
Mexico	223.2K	41.7K	-81.3%	36.1K	-13.5%	9.6K	113.9%	-21.6%
Germany	157K	18.6K	-88.2%	25.8K	38.4%	2.8K	245.9%	-60.5%
South Korea	132.4K	14.7K	-88.9%	7.1K	-51.8%	725	10.2%	-86.5%
France	122.2K	14.1K	-88.5%	17.9K	27.5%	1.9K	289.0%	-58.8%
Japan	74.3K	8.6K	-88.4%	1.4K	-83.4%	178	345.0%	-96.3%

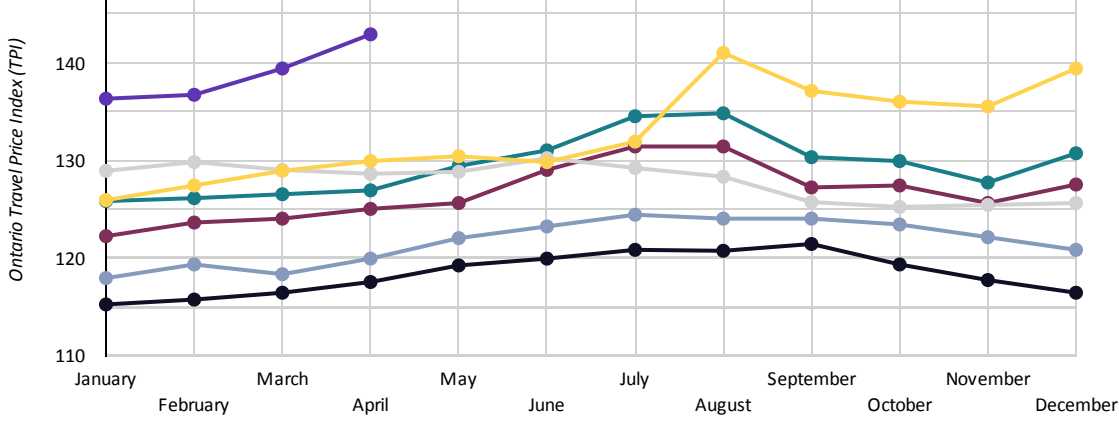


KEY TAKEAWAYS:
Border crossings for all key markets decreased by an average of -87% from 2019 to 2020.
Border crossings were up for some key markets from 2020 to 2021, with the highest increase coming from Germany (+38.4%), France (+275%) and UK (+19.3%).
Border crossings for all key markets in Feb 2022 surpassed Feb 2021 levels, but would have to increase an average of 76% to reach Feb 2019 levels.

ONTARIO CONSUMER PRICE INDEX²



ONTARIO TRAVEL PRICE INDEX²



KEY TAKEAWAYS:

The consumer price index (CPI) grew 3.47% in 2021 compared to 2020.
This increase can be attributed to global supply chain disruptions and increased consumer demand with the reopening of the economy.

The CPI grew more than 5% in Jan 2022 and Feb 2022 due to the COVID-19 pandemic's continued effect on supply chains and energy prices, and geopolitical conflict.

The travel price index (TPI) grew 3.81% in 2021 compared to 2020.

A spike of 6.9% in Aug 2021 compared to July 2021 can be attributed to the reopening of businesses and increased summer travel.

An increase in the CPI and TPI results in higher prices for tourism-related goods and services such as food, transportation, recreation and travel accommodation.

This will impact middle income households and families looking to travel.

SHORT TERM OCCUPANCY AND RENTAL RATES⁶

Ontario Short Term Rental Rate 2021

Occupancy Rate: 57% ↑ 16.3 point change
Avg. Daily Rate: \$149.72 ↑ 18%

Short Term Rentals - accommodations that are rented out for a short period of time including those booked from AirBnB and other rental companies

Region	Occupancy Percentage						Average Daily Rate					
	2019	2020	2021	Point Change 2019 vs 2020	Point Change 2020 vs 2021	Point Change (2019 vs 2021)	2019	2020	2021	% Change (2019 vs 2020)	% Change (2020 vs 2021)	% Change (2019 vs 2021)
ONTARIO	53.9%	40.8%	57.0%	-13.2	16.3	3.1	\$108.63	\$122.75	\$149.72	11.5%	18.0%	27.4%
Region 1 (Southwest Ontario)	53.7%	44.9%	57.8%	-8.8	12.9	4.1	\$89.41	\$105.45	\$128.36	15.2%	17.8%	30.3%
Region 2 (Niagara Canada)	49.1%	37.5%	50.8%	-11.6	13.3	1.6	\$126.15	\$141.09	\$181.56	10.6%	22.3%	30.5%
Region 3 (Hamilton, Halton and Brant)	56.4%	44.4%	56.9%	-12.0	12.6	0.6	\$80.47	\$91.95	\$117.06	12.5%	21.4%	31.3%
Region 4 (Huron, Perth, Waterloo and Wellington)	52.9%	44.4%	58.9%	-8.5	14.4	6.0	\$93.46	\$105.36	\$124.07	11.3%	15.1%	24.7%
Region 5 (Greater Toronto Area)	57.7%	36.8%	44.9%	-20.9	8.2	-12.7	\$94.31	\$93.19	\$102.6	-1.2%	9.2%	8.1%
Region 6 (York, Durham and Headwaters)	45.4%	38.2%	51.1%	-7.3	12.9	5.6	\$110.96	\$136.58	\$169.66	18.8%	19.5%	34.6%
Region 7 (Bruce Peninsula, Southern Georgian Bay and Lake Simcoe)	46.4%	43.4%	55.4%	-3.0	12.0	9.0	\$177.56	\$196.79	\$237.17	9.8%	17.0%	25.1%
Region 8 (Kawartha Northumberland)	47.8%	50.0%	59.9%	2.2	9.8	12.1	\$183.62	\$208.94	\$260.29	12.1%	19.7%	29.5%
Region 9 (South Eastern Ontario)	51.7%	48.8%	61.0%	-2.9	12.2	9.3	\$146.69	\$165.19	\$207.42	11.2%	20.4%	29.3%
Region 10 (Ottawa and Countryside)	56.1%	41.9%	53.6%	-14.2	11.7	-2.5	\$77.08	\$80.59	\$95.12	4.4%	15.3%	19.0%
Region 11 (Haliburton Highlands to the Ottawa Valley)	48.7%	51.4%	61.4%	2.7	10.0	12.7	\$173.63	\$194.9	\$240.03	10.9%	18.8%	27.7%
Region 12 (Algonquin Park, Almaguin Highlands, Muskoka and Parry Sound)	48.5%	50.5%	59.6%	2.0	9.0	11.0	\$206.23	\$238.23	\$289.65	13.4%	17.8%	28.8%
Region 13 (Northern Ontario)	52.7%	49.1%	60.0%	-3.6	10.9	7.3	\$95.61	\$108.13	\$129.64	11.6%	16.6%	26.3%

Note: Average daily rate for short term rental rates is \$USD

KEY TAKEAWAYS:
The 2020 occupancy rates for short term rentals decreased across most region compared to 2019
The 2021 occupancy rates increased across all regions compared to 2019
The 2021 occupancy rates have surpassed pre-pandemic levels (2019) for most regions except for region 5 (-12.7) and region 10 (-2.5)
The 2020 average daily rate for short term rentals increased across most regions compared to 2019.
The 2021 average daily rate increased all regions compared to 2020
The 2021 average daily rate has surpassed pre-pandemic levels (2019) for all regions

HOTEL OCCUPANCY REGIONAL AND SUB-REGIONAL BREAKDOWN⁷

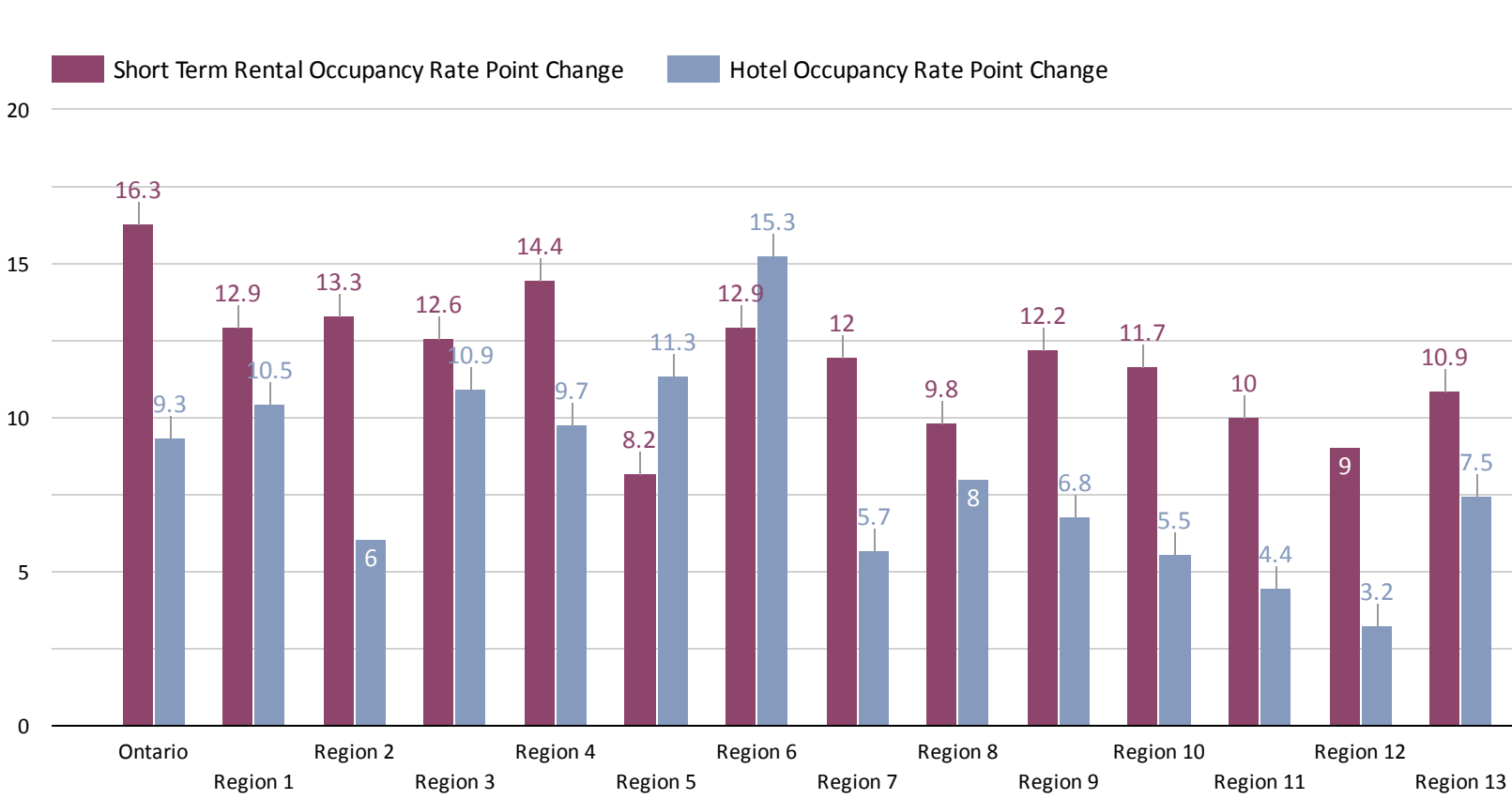
Ontario Hotel Rate 2021

Occupancy Rate: 44.1% ↑ 9.3 point change
Avg. Daily Rate: \$128.8 ↑ 2.1%

Region	Occupancy Percentage						Average Daily Rate					
	2019	2020	2021	Point Change (2019 vs 2020)	Point Change (2020 vs 2021)	Point Change (2019 vs 2021)	2019	2020	2021	% Change (2019 vs 2020)	% Change (2020 vs 2021)	% Change (2019 vs 2021)
ONTARIO	68.7%	34.8%	44.1%	-33.9	9.3	-24.6	\$163.02	\$126.06	\$128.8	-29.3%	2.1%	-26.6%
Region 1 (Southwest Ontario)	62.0%	37.4%	47.8%	-24.6	10.5	-14.1	\$118.75	\$102.01	\$101.37	-16.4%	-0.6%	-17.1%
Region 2 (Niagara Canada)	64.7%	27.9%	33.9%	-36.8	6.0	-30.7	\$163.2	\$114.08	\$148.85	-43.1%	23.4%	-9.6%
Region 3 (Hamilton, Halton and Brant)	66.4%	38.0%	48.8%	-28.5	10.9	-17.6	\$131.05	\$108.59	\$108.19	-20.7%	-0.4%	-21.1%
Region 4 (Huron, Perth, Waterloo and Wellington)	63.9%	32.9%	42.6%	-31.0	9.7	-21.3	\$131.8	\$107.19	\$109.5	-23.0%	2.1%	-20.4%
Region 5 (Greater Toronto Area)	75.7%	29.6%	40.9%	-46.1	11.3	-34.8	\$196.63	\$146.47	\$138.52	-34.2%	-5.7%	-42.0%
Region 6 (York, Durham and Headwaters)	70.8%	39.2%	54.5%	-31.6	15.3	-16.4	\$140.64	\$115.97	\$116.33	-21.3%	0.3%	-20.9%
Region 7 (Bruce Peninsula, Southern Georgian Bay and Lake Simcoe)	59.7%	42.7%	48.4%	-17.0	5.7	-11.3	\$134.93	\$126.41	\$133.72	-6.7%	5.5%	-0.9%
Region 8 (Kawartha Northumberland)	62.1%	38.5%	46.5%	-23.6	8.0	-15.6	\$119.98	\$105.75	\$114.54	-13.5%	7.7%	-4.7%
Region 9 (South Eastern Ontario)	61.4%	40.6%	47.4%	-20.8	6.8	-14.0	\$133.85	\$117.6	\$129.95	-13.8%	9.5%	-3.0%
Region 10 (Ottawa and Countryside)	71.1%	35.8%	41.3%	-35.4	5.5	-29.8	\$166.34	\$134.52	\$131.11	-23.7%	-2.6%	-26.9%
Region 11 (Haliburton Highlands to the Ottawa Valley)	57.8%	41.5%	45.9%	-16.3	4.4	-11.8	\$132.15	\$122.46	\$131.44	-7.9%	6.8%	-0.5%
Region 12 (Algonquin Park, Almaguin Highlands, Muskoka and Parry Sound)	53.5%	40.5%	43.7%	-13.0	3.2	-9.8	\$179.68	\$182.3	\$210.94	1.4%	13.6%	14.8%
Region 13 (Northern Ontario)	63.4%	45.0%	52.5%	-18.4	7.5	-10.9	\$124.58	\$115.19	\$120.23	-8.2%	4.2%	-3.6%

KEY TAKEAWAYS:
The 2020 occupancy rates for hotels decreased across all regions compared to 2019
The 2021 occupancy rates increased across all regions compared to 2020
The 2021 occupancy rates have not reached pre-pandemic levels (2019)
The 2020 average daily rate for hotels decreased across all regions compared to 2019
The 2021 average daily rate increased for most regions compared to 2020
The 2021 average daily rate have not reached pre-pandemic levels (2019) for most regions except Region 12 (+1.4%)

SHORT TERM RENTAL AND HOTEL OCCUPANCY RATE COMPARISON (2020 to 2021)⁸



KEY TAKEAWAYS:
The occupancy rates for short term rentals and hotels increased for all regions from 2020 to 2021.
Short term rental rates had a higher increase compared to hotel rates from 2020 to 2021.

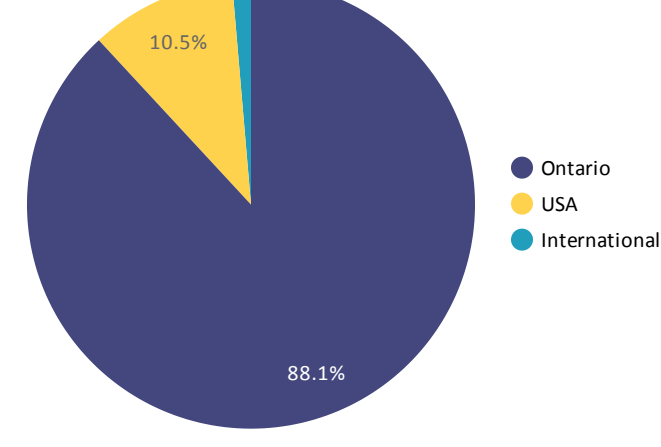
ECONOMIC IMPACT OF TOURISM IN ONTARIO (2019)⁹

Economic Impact	Tourism Receipts	Visitor Spending
Tourism Spending	\$37.96B	\$29.36B
Value Added by Tourism into GDP	\$36.8B	\$27.77B
Tax Revenue Attributed to Tourism	\$13.37B	\$10.56B
Employment through Tourism	395,546	307,277

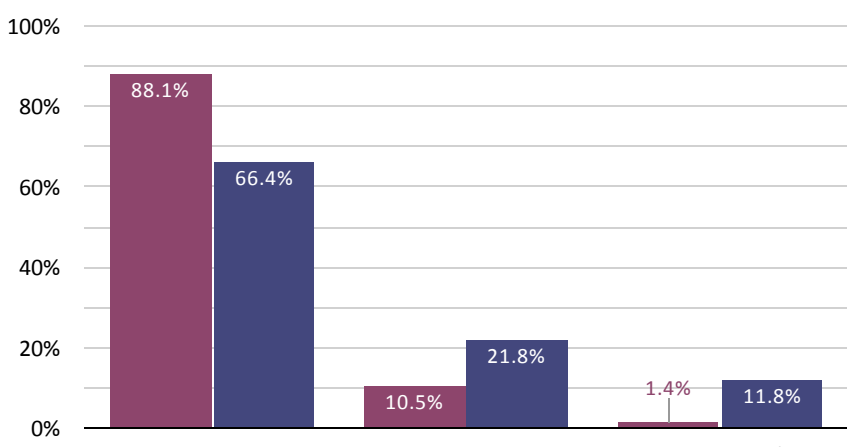
VISITS AND SPEND FROM KEY MARKETS (2019)¹⁰

Markets	Person Visits	Total Visitor Spending	Average Nights Stayed	Estimated Spend per Overnight Trip
Ontario	108.1M	\$15.35B	1	\$270
USA	12.9M	\$5.05B	3	\$643
UK	459.5K	\$744.66M	10	\$1.69K
China	330.9K	\$875.13M	35	\$2.72K
France	231.6K	\$203.72M	8	\$940
Mexico	230.6K	\$235.99M	16	\$1.05K
Germany	203.6K	\$294.53M	12	\$1.56K
Japan	102.5K	\$232.77M	15	\$2.5K
South Korea	102.3K	\$139.09M	18	\$1.38K

ONTARIO'S SHARE OF VISITS BY KEY MARKETS (2019)¹⁰



ONTARIO'S SHARE OF PERSON VISITS AND TOTAL VISITOR SPENDING BY KEY MARKETS (2019)¹⁰



Ontario has the largest market share for visits at **88.1%** and total visitor spending at **66.4%**
Opportunity for Ontario to extend their stay to increase **overall** spend where other market's increased visits to Ontario will increase spend

Note: Key international markets include the following: UK, China, France, Mexico, Germany, Japan and South Korea

Sources:
1. Statistics Canada, Table 24-10-0050-01 Non-resident visitors entering Canada, by country of residence 2019-2022 | 2. Statistics Canada, MHSCTCIS Price Indices Statistics, 2016-2022 | 3. Statistics Canada, Consumer Price Index: Annual review, 2021 | 4. Statistics Canada, The Daily - Consumer Price Index, August 2021 | 5. Statistics Canada, The Daily - Consumer Price Index, January 2022; Statistics Canada, The Daily - Consumer Price Index, February 2022 | 6. Transparent Intelligence Inc - Ontario Dashboard, Rates and Demand 2019 - 2022 | 7. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at https://www.cbre.ca/en/real-estate-services/business-lines/valuation-and-advisory-services/hotels-valuation-and-advisory-services/disclaimer | 8. Transparent Intelligence Inc- Ontario Dashboard, Rates and Demand 2021; CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at https://www.cbre.ca/en/real-estate-services/business-lines/valuation-and-advisory-services/hotels-valuation-and-advisory-services/disclaimer | 9. Statistics Canada, MHSCTCIS Tourism Regional Economic Impact Model, 2019 | 10. Statistics Canada, National Travel Survey, 2019; Statistics Canada, Visitor Travel Survey, 2019