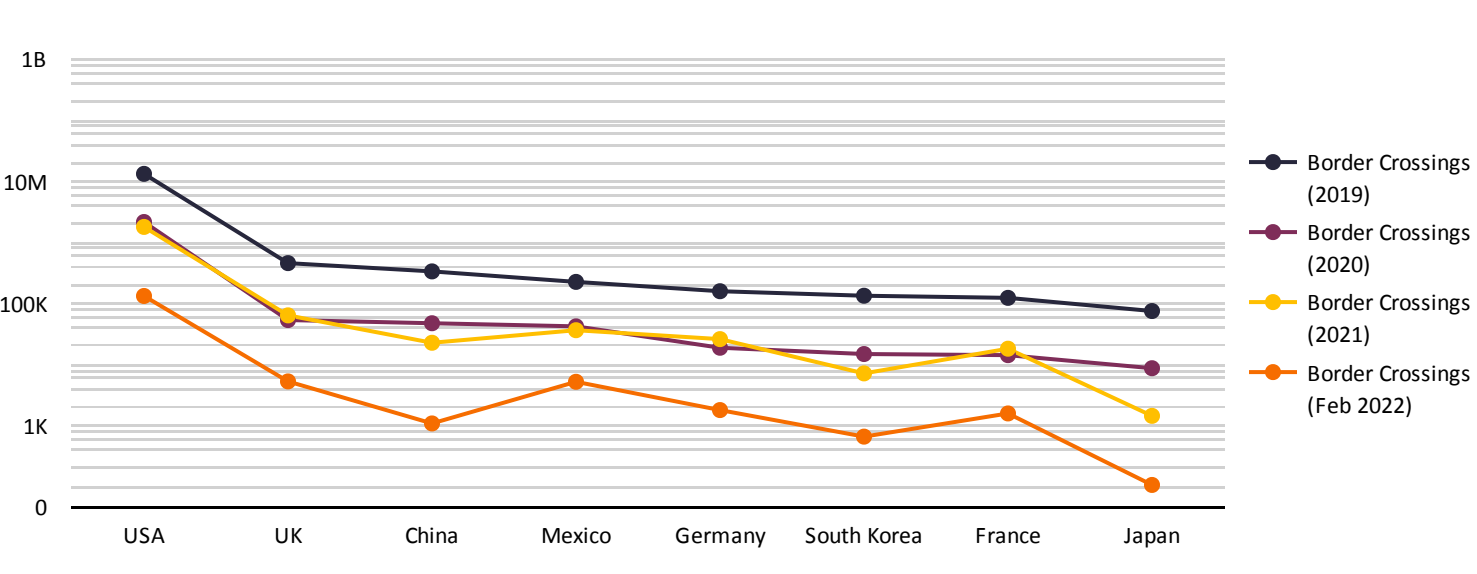


Report Sharing: The report is reserved for use by members of Destination Ontario and their agents, media and travel industry partners, stakeholders and Ontario tourism operators.

Ontario Tourism Industry Health Check

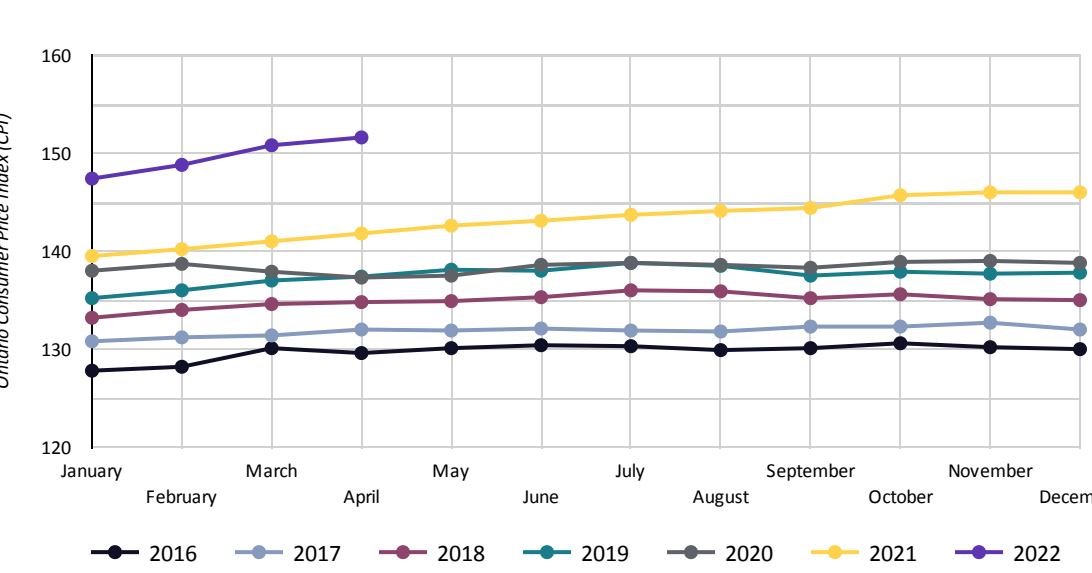
ONTARIO'S BORDER CROSSINGS FOR KEY MARKETS ¹

| 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% |

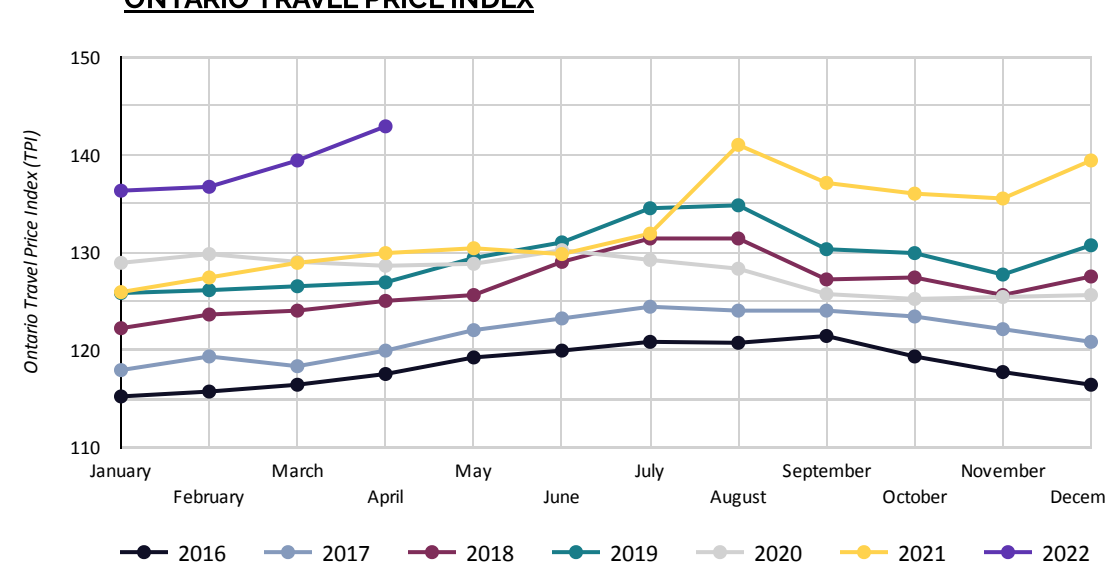


KEY TAKEAWAYS:
Border crossings for all key markets decreased by an average of -87% from 2019 to 2020.
Border crossings were up for some key markets from 2020 to 2021, with the highest increase coming from Germany (+38.4%), France (+27.5%) and UK (+19.3%).
Border crossings for all key markets in Feb 2022 surpassed Feb 2021 levels, but would have to increase an average of 76% to reach Feb 2019 levels.

ONTARIO CONSUMER PRICE INDEX ²



ONTARIO TRAVEL PRICE INDEX ²



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 August 2021 compared to July 2021 can be attributed to the reopening of businesses and increased summer travel.⁴

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 RATES ⁶

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) | Apr 2022 | 2019 | 2020 | 2021 | % Change (2019 vs 2020) | % Change (2020 vs 2021) | % Change (2019 vs 2021) | Apr 2022 | |
| 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% | ↑ | \$134.38 |
| 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% | ↑ | \$119.6 |
| Region 2 (Niagara and 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% | ↑ | \$159.86 |
| 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% | ↑ | \$108.7 |
| 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% | ↑ | \$117.48 |
| 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% | ↑ | \$97.03 |
| 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% | ↑ | \$149.55 |
| 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% | ↑ | \$201.07 |
| 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% | ↑ | \$232.61 |
| 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% | ↑ | \$190.97 |
| 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% | ↑ | \$85.21 |
| 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% | ↑ | \$217.53 |
| 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% | ↑ | \$250.25 |
| 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% | ↑ | \$123.38 |

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.

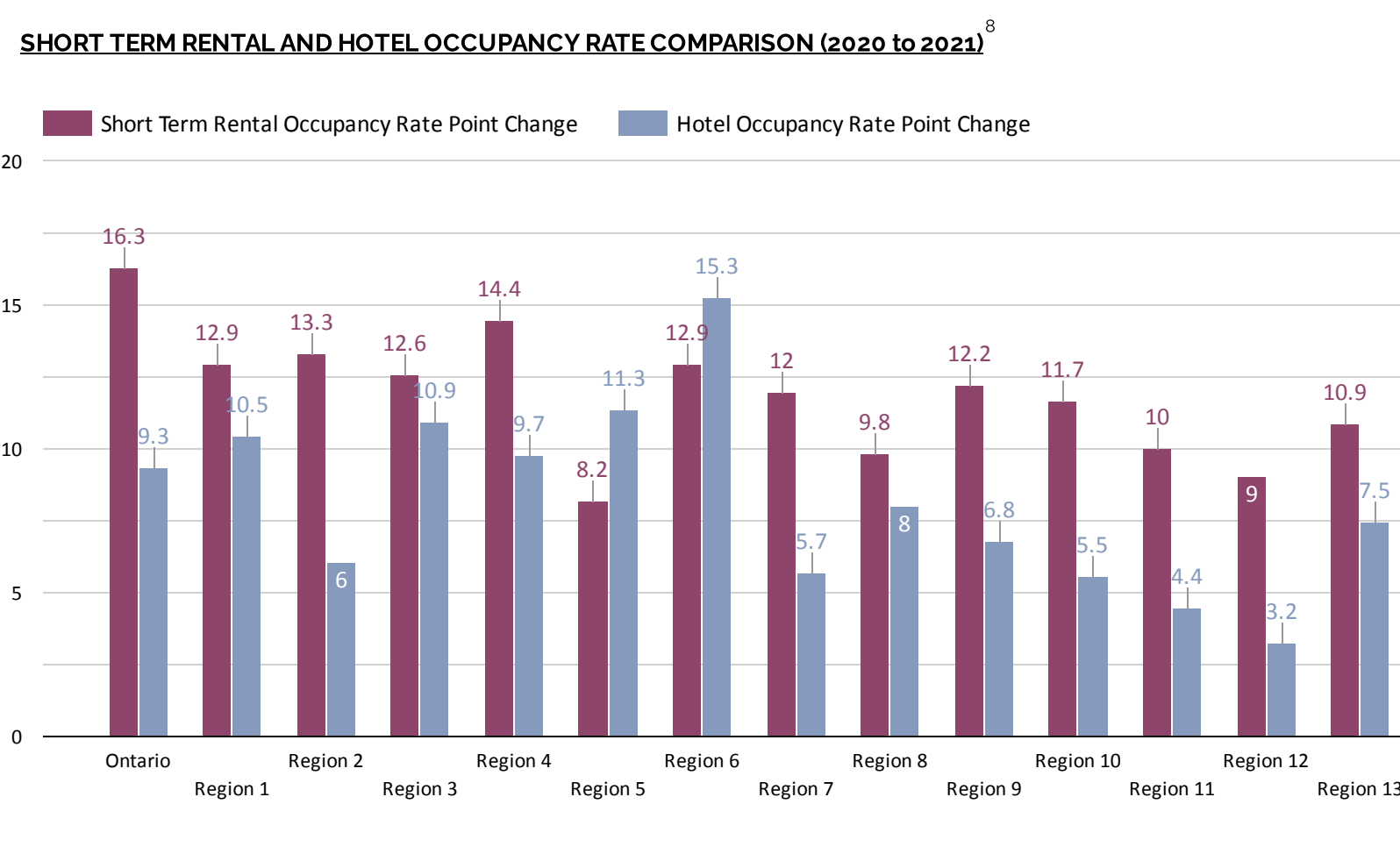
HOTEL OCCUPANCY REGIONAL AND SUB-REGIONAL BREAKDOWN ⁷

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 (+14%).

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.

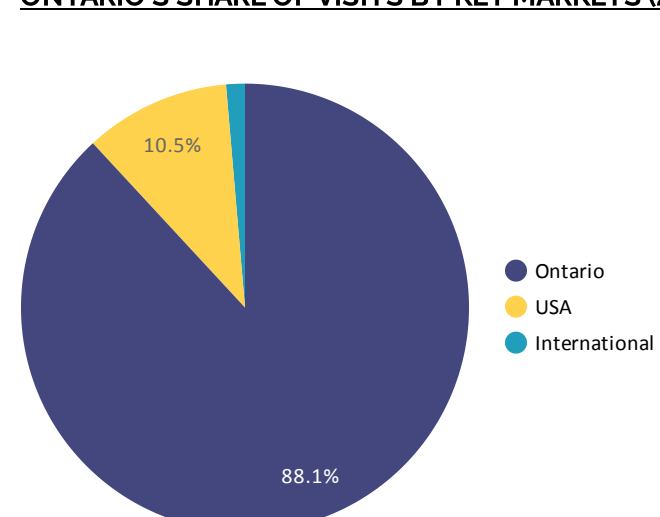
ECONOMIC IMPACT OF TOURISM IN ONTARIO (2019) ⁹

| Economic Impact | Tourism Receipts | Visitor Spending |
|-----------------------------------|------------------|------------------|
| Tourism Spending | \$37,968 | \$29,368 |
| Value Added by Tourism into GDP | \$36.88 | \$27.77B |
| Tax Revenue Attributed to Tourism | \$13.37B | \$10.56B |
| Employment through Tourism | 395,546 | 307,277 |

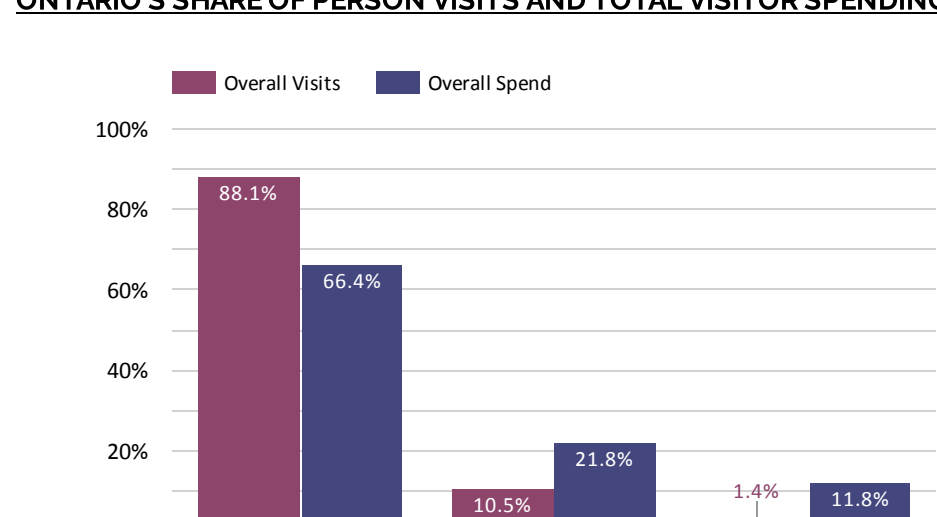
VISITS AND SPEND FROM KEY MARKETS (2019) ¹⁰

| 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, MHSTCIS 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, MHSTCIS Tourism Regional Economic Impact Model, 2019 | 10. Statistics Canada, National Travel Survey, 2019, Statistics Canada, Visitor Travel Survey, 2019