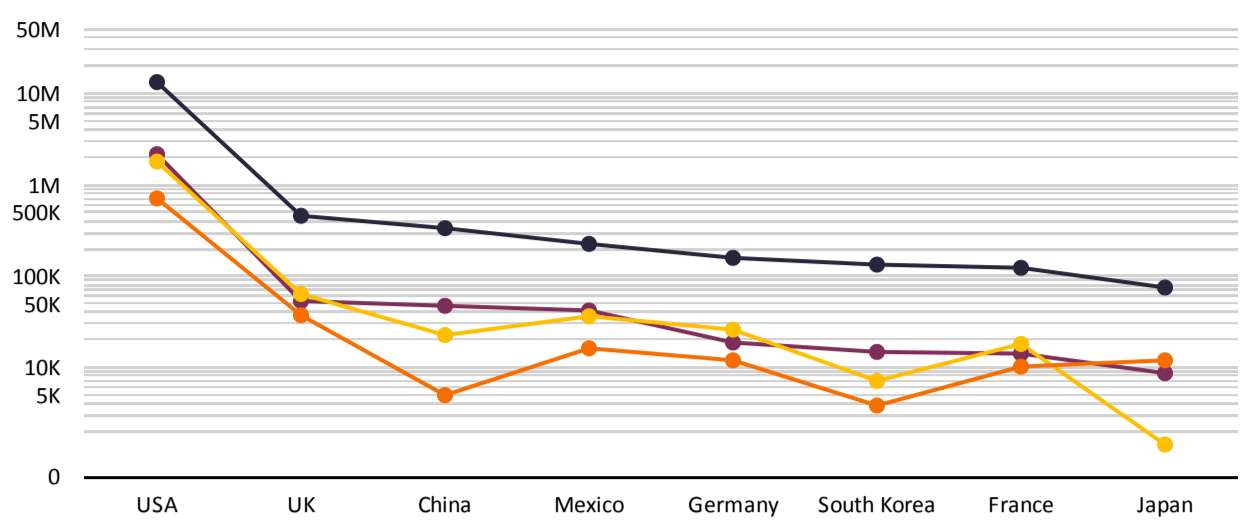


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Ontario Tourism Industry Health Check

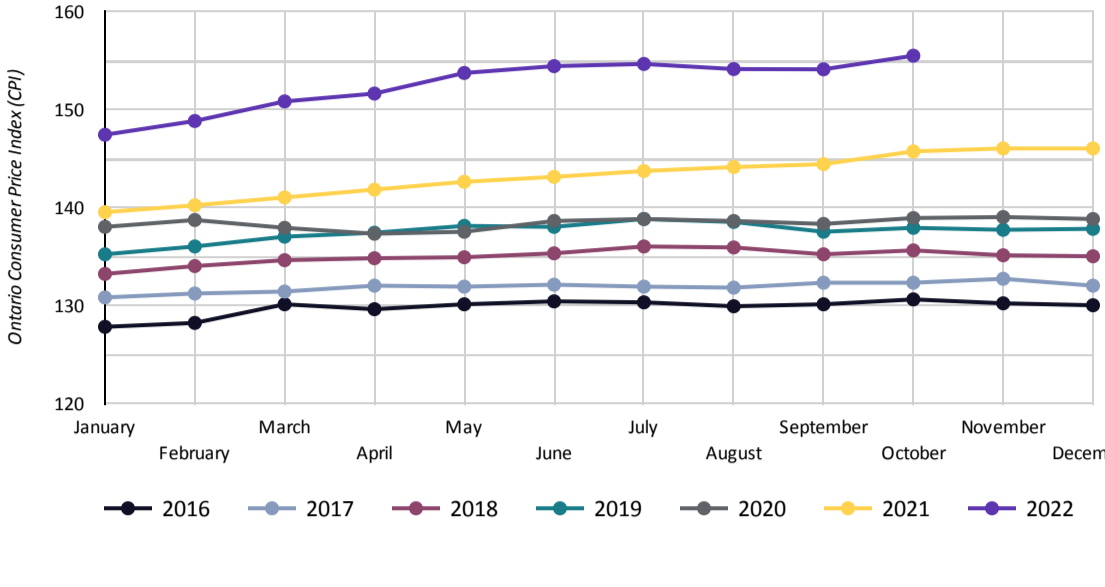
ONTARIO'S BORDER CROSSINGS FOR KEY MARKETS¹

Markets	Border Crossings (2019)	Border Crossings (2020)	%Change (2019 vs 2020)	Border Crossings (2021)	%Change (2020 vs 2021)	Border Crossings (Sep 2022)	% Change (Sep 2021 vs Sep 2022)	% Change (Sep 2019 vs Sep 2022)
USA	13.2M	2.1M	-83.8%	1.8M	-16.9%	702.4K	1.5	-0.4
UK	453.2K	52.9K	-88.3%	63.1K	19.3%	37K	2.5	-0.2
China	331.7K	46.9K	-85.9%	22.4K	-52.1%	4.9K	0.5	-0.9
Mexico	223.2K	41.7K	-81.3%	36.1K	-13.5%	16.1K	4.3	-0.2
Germany	157K	18.6K	-88.2%	25.8K	38.4%	11.9K	1.2	-0.4
South Korea	132.4K	14.7K	-88.9%	7.1K	-51.8%	3.8K	2.6	-0.8
France	122.2K	14.1K	-88.5%	17.9K	27.5%	10.1K	2.2	-0.4
Japan	74.3K	8.6K	-88.4%	1.4K	-83.4%	11.9K	66.1	0.3

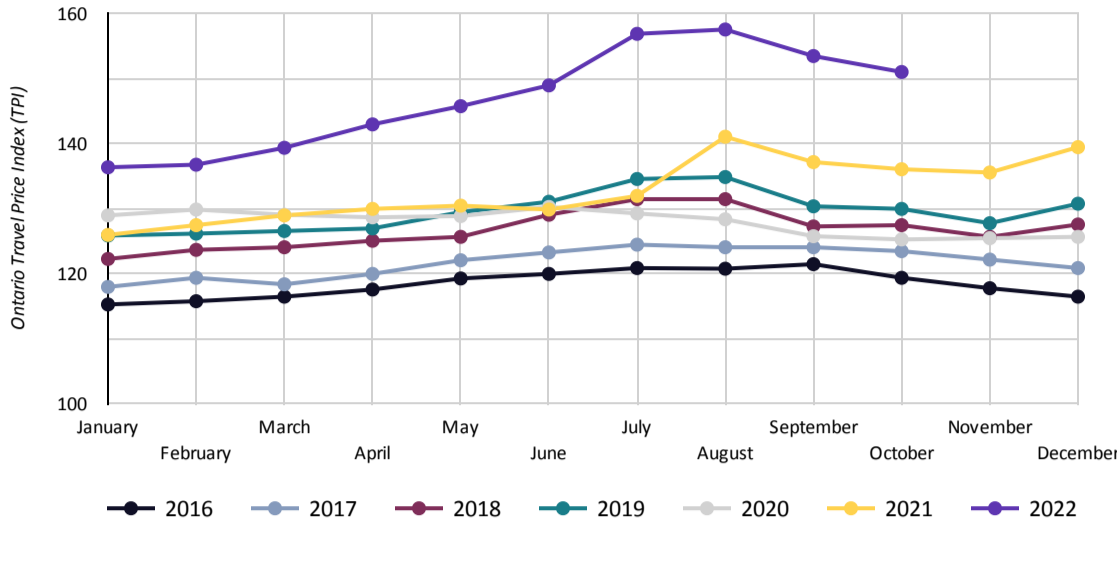


KEY TAKEAWAYS:
 Border crossings for all key markets in September 2022 surpassed September 2021 levels, and would have to increase an average of 40.3% to reach September 2019 levels.
 The key markets with the highest increase in September 2022 compared to September 2021 were Japan (+6609.6%), Mexico (+4272%), and South Korea (+2572%).
 Outside of Destination Ontario's key markets, Australia (+1559.5%) and Italy (+112.1%) also observed very high increase in September 2022 compared to September 2021.

ONTARIO CONSUMER PRICE INDEX²



ONTARIO TRAVEL PRICE INDEX²



KEY TAKEAWAYS:

Ontario's consumer price index (CPI) rose 6.9% on a year-over-year basis, down from a 6.7% year-over-year gain in September.
 Faster price growth for gas and mortgage interest costs were moderated by slowing price growth for food. In October, higher prices at the gas pump put upward pressure on the all-items CPI.³

The travel price index (TPI) grew 11.0% in October 2022 compared to October 2021.
 Costs increased in accommodations +36.8%, intercity transportation +16.8%, restaurants +71%, vehicle operation +71%, and recreation/entertainment +4.9 in October 2022 compared to October 2021.³

An increase in the TPI results in higher prices for tourism-related goods and services such as food, transportation, recreation and travel accommodation.
 This will impact price-sensitive households and families looking to travel.⁴

SHORT TERM OCCUPANCY AND RENTAL RATES⁵

Ontario Short Term Rental Rate 2021

Occupancy Rate: 57% 16.3 point change (an increase from 2020)
 Avg. Daily Rate: \$149.72 18% (an increase from 2020)

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)	October 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%	\$150.08
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%	\$130.46
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%	\$163.77
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%	\$118.47
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%	\$128.55
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%	\$127.24
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%	\$160.56
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%	\$214.22
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%	\$243.84
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%	\$198.38
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%	\$107.56
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%	\$230.9
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%	\$268.32
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%	\$131.64

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

KEY TAKEAWAYS:
 The 2022 occupancy rates to-date (October 2022) for short term rentals have surpassed pre-pandemic levels (2019) for some regions
 The 2021 occupancy rates increased across all regions compared to 2020
 The 2020 occupancy rates decreased across most regions compared to 2019
 The 2022 average daily rate to-date (October 2022) for short term rentals have surpassed pre-pandemic levels (2019) for all regions
 The 2021 average daily rate increased across all regions compared to 2020
 The 2020 average daily rate increased across most regions compared to 2019

HOTEL OCCUPANCY REGIONAL AND SUB-REGIONAL BREAKDOWN⁶

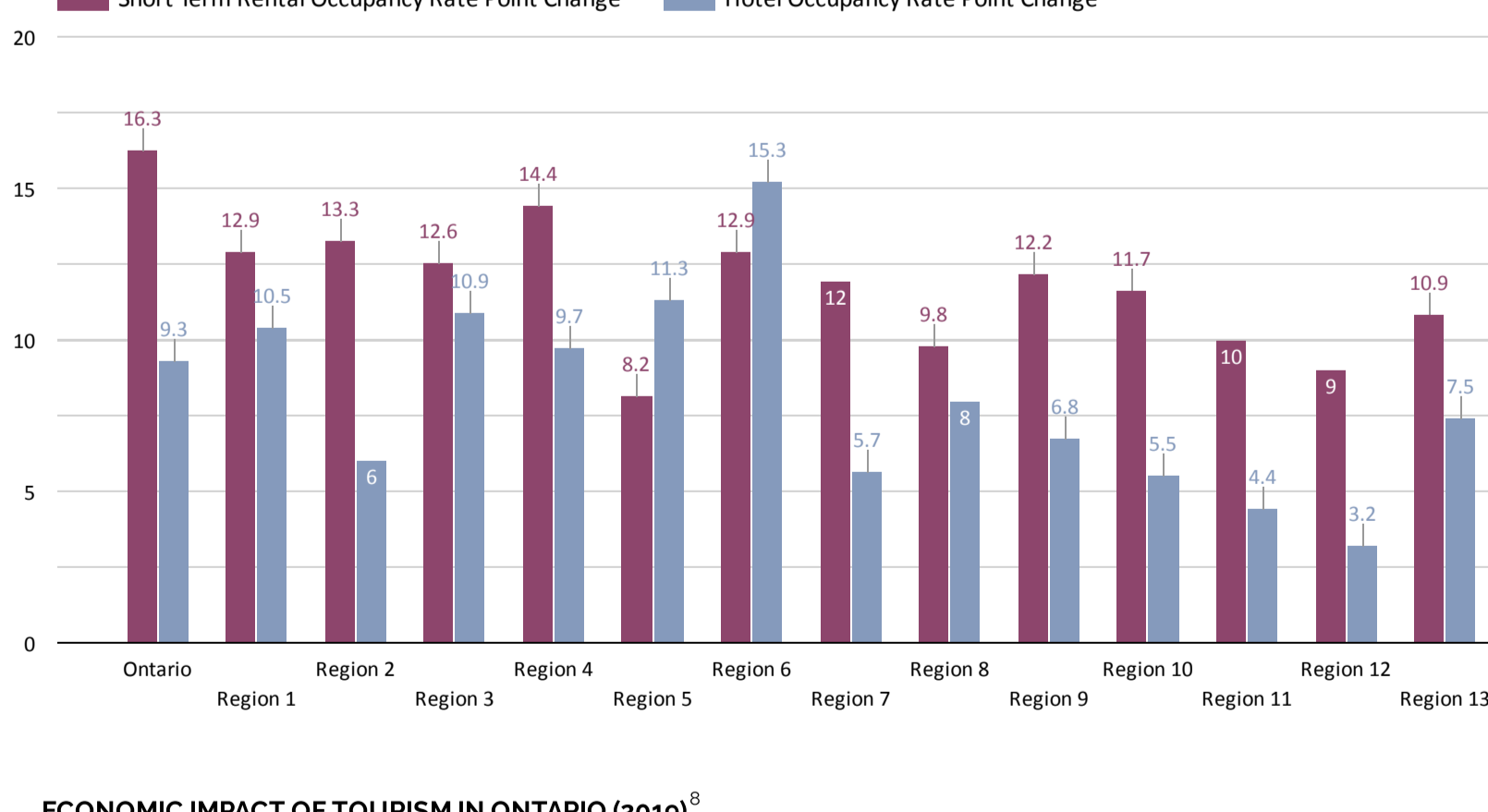
Ontario Hotel Rate 2021

Occupancy Rate: 44.1% 9.3 point change (an increase from 2020)
 Avg. Daily Rate: \$128.8 2.1% (an increase from 2020)

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)	September 2022
ONTARIO	68.7%	34.8%	44.1%	-33.9	9.3	-24.6	\$163.02	\$126.06	\$128.80	-29.3%	2.1%	-26.6%	\$210.00
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%	\$140.00
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%	\$203.00
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%	\$168.00
Region 4 (Huron, Perth, Waterloo and Wellington)	63.9%	32.9%	42.6%	-31.0	9.7	-21.3	\$131.8	\$107.19	\$109.50	-23.0%	2.1%	-20.4%	\$163.00
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%	\$277.00
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%	\$181.00
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%	\$165.00
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%	\$148.00
Region 9 (South Eastern Ontario)	61.4%	40.6%	47.4%	-20.8	6.8	-14.0	\$133.85	\$117.60	\$129.95	-13.8%	9.5%	-3.0%	\$167.00
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%	\$196.00
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%	\$150.00
Region 12 (Algonquin Park, Almaguin Highlands, Muskoka and Parry Sound)	53.5%	40.5%	43.7%	-13.0	3.2	-9.8	\$179.68	\$182.30	\$210.94	1.4%	13.6%	14.8%	\$229.00
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%	\$153.00

KEY TAKEAWAYS:
 The 2022 occupancy rates to-date (Sep 2022) for hotels have surpassed pre-pandemic levels (2019) in all regions
 The 2021 occupancy rates increased across all regions compared to 2020
 The 2020 occupancy rates decreased across all regions compared to 2019
 The 2022 average daily rate to-date (Sep 2022) for hotels have surpassed pre-pandemic levels (2019) for all regions
 The 2021 average daily rate increased across most regions compared to 2020
 The 2020 average daily rate decreased across all regions compared to 2019

SHORT TERM RENTAL AND HOTEL OCCUPANCY RATE COMPARISON (2020 to 2021)⁷



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.

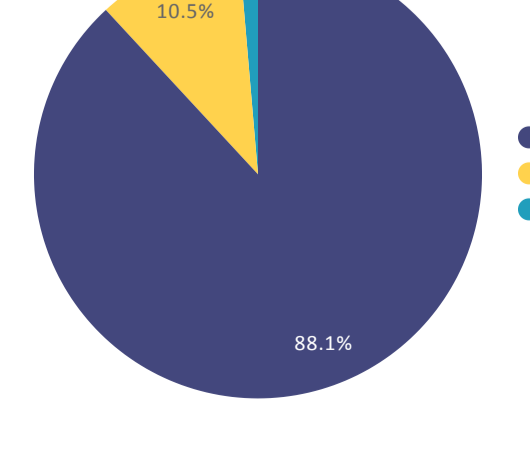
ECONOMIC IMPACT OF TOURISM IN ONTARIO (2019)⁸

Economic Impact	Tourism Receipts	Visitor Spending
Tourism Spending	\$37,968	\$29,368
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

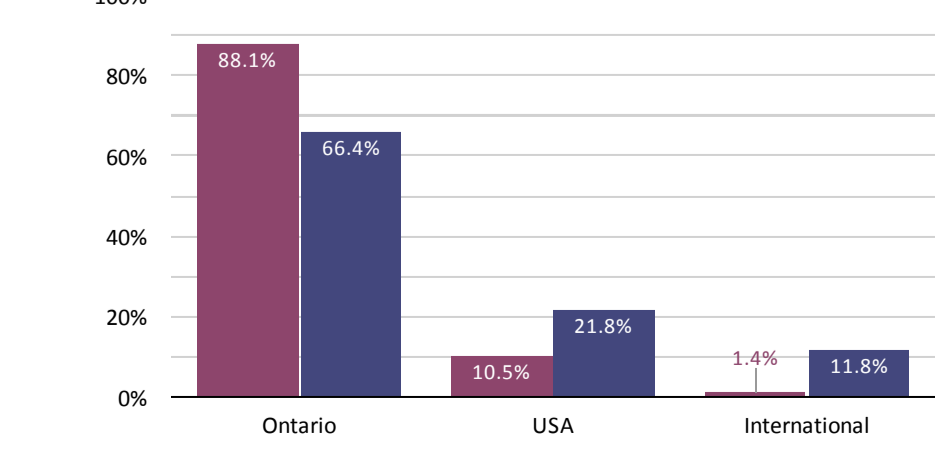
VISITS AND SPEND FROM KEY MARKETS (2019)⁹

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)⁹



ONTARIO'S SHARE OF PERSON VISITS AND TOTAL VISITOR SPENDING BY KEY MARKETS (2019)⁹



KEY TAKEAWAYS:
 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, MTCS Price Indices Statistics, 2016-2022 | 3. Statistics Canada, The Daily - Consumer Price Index, October 2022 | 4. Bank of Canada, Navigating high inflation, June 2022. Link: https://www.bankofcanada.ca/2022/06/navigating-high-inflation/ | 5. Transparent Intelligence Inc. - Ontario Dashboard Rates and Demand 2019 - 2022 | 6. 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 | 7. 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 | 8. Statistics Canada, MHSCTCS Tourism Regional Economic Impact Model, 2019 | 9. Statistics Canada, National Travel Survey 2019, Statistics Canada, Visitor Travel Survey, 2019