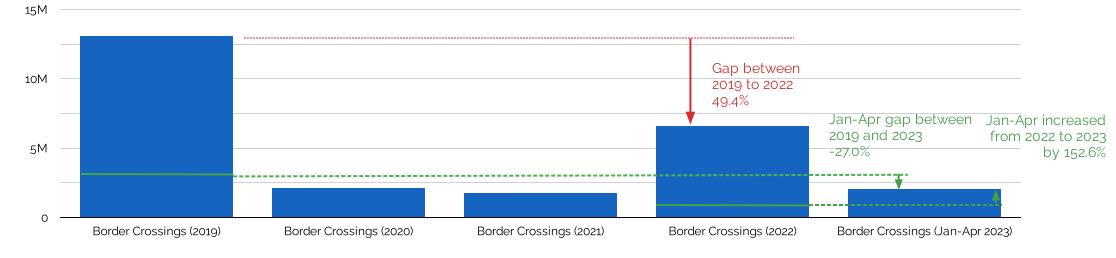
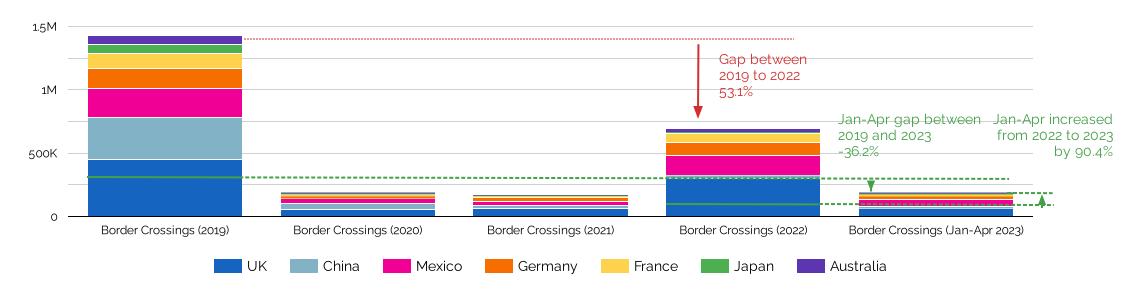


ONTARIO'S BORDER CROSSINGS FROM USA

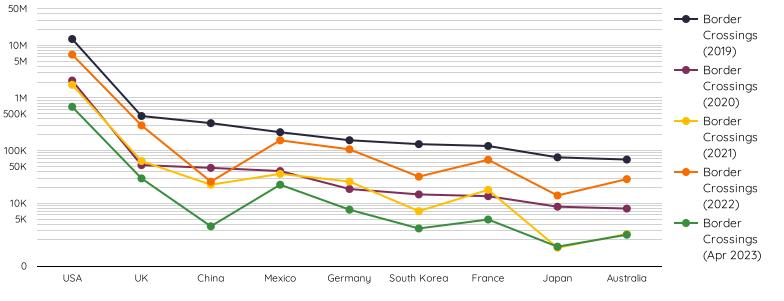


ONTARIO'S BORDER CROSSINGS FROM OTHER KEY MARKETS



ONTARIO'S BORDER CROSSINGS FOR KEY MARKETS

Markets	Border Crossings (2019) 🔹	Border Crossings (2021)	%Change (2019 to 2022)	Border Crossings (2022)	%Change (2021 to 2022)	Border Crossings (Apr 2023)	% Change (Apr 2019 vs Apr 2023)	% Change (Apr 2022 vs Apr 2023)
USA	13.2M	1.8M	-49.4%	6.7M	274.9%	677.8K	-23.6%	80.2%
UK	453.2K	63.1K	-33.7%	300.4K	376.0%	29.6K	-8.8%	45.8%
China	331.7K	22.4K	-92.3%	25.6K	14.2%	3.6K	-80.1%	213.4%
Mexico	223.2K	36.1K	-29.9%	156.4K	333.8%	22.4K	-1.1%	64.9%
Germany	157.0K	25.8K	-32.8%	105.6K	310.0%	7.5K	-29.8%	45.1%
South Korea	132.4K	7.1K	-75.9%	32.0K	352.2%	3.3K	-68.2%	150.2%
France	122.2K	17.9K	-45.3%	66.9K	272.8%	4.9K	-34.3%	21.9%
Japan	74.3K	1.4K	-81.2%	14.0K	883.1%	1.5K	-74.1%	289.8%
Australia	67.4K	2.6K	-57.5%	28.7K	1,005.1%	2.5K	-39.6%	138.2%



KEY TAKEAWAYS:

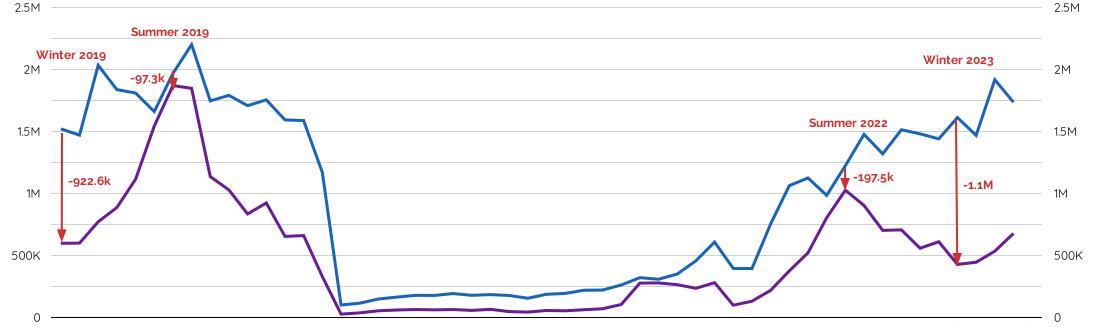
Border crossings for all key markets in April 2023 surpassed April 2022 levels, and would have to increase an average of **25.4%** to reach April 2019 levels.

The key markets with the highest increase in April 2023 compared with April 2022 were Japan (+289.8%), China (+213.4%), and South Korea (+150.2%),

Outside of Destination Ontario's key markets, Hong Kong (+284.7%) also observed very high increases in April 2023 compared with April 2022.



Canadian Returning Through Ontario Ports ------ US Citizen Traveling Through Ontario Ports

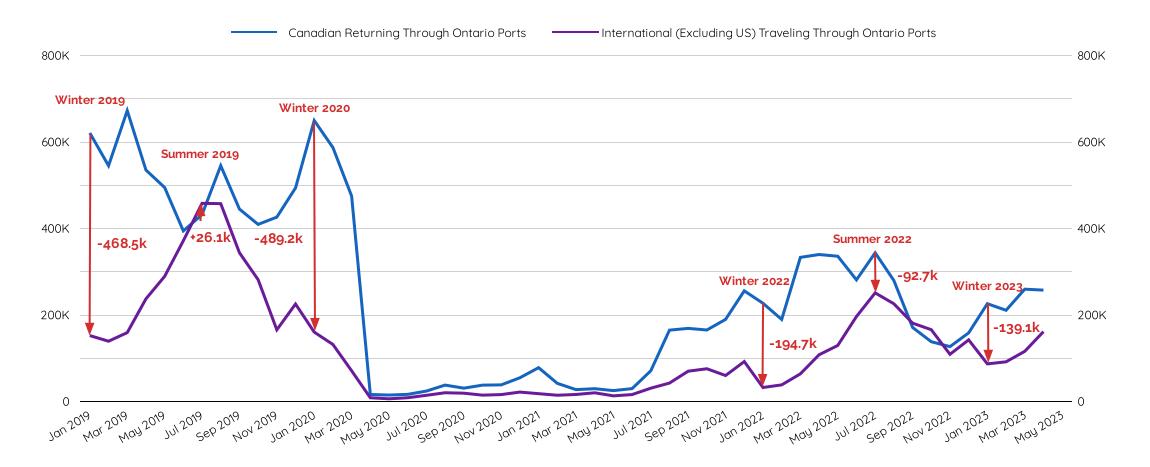


NOV 2021 JUI 2020 NOV 2020 Jan 2021 Mor 2021 MOY 2021 Sep2021 Jan 2022 Mar 2019 JUI 2019 Jan 2020 Sep 2020 JU12021 May 2022 JUI 2022 Sep 2022 NOV 2022 Jan 2023 Mor 2023 Jon 2019 MOY 2019 Sep 2019 NOV 2019 Mar 2020 May 2020. Mar 2022 May 2023

Travel Characteristics	2019 Total 🔹	2020 Total	2021 Total	2022 Total	2022 vs. 2019 % change	2022 vs. 2021 % change
Canadians Traveling to US and Returning to Canada	43.8M	10.4M	5.5M	24.8M	-43.3%	353.3%
US Citizens Traveling to Canada	25.0M	4.0M	3.3M	14.0M	-44.0%	323.7%
Canadians Traveling to US and Returning Through Ontario Ports	21.5M	5.8M	3.5M	13.2M	-38.7%	280.4%
US Citizens Traveling Through Ontario Ports	13.2M	2.1M	1.8M	6.7M	-49.4%	274.9%

Travel Characteristics	Jan-Apr 2023 Entries	Jan-Apr 2023 vs Jan-Apr 2019 % change	Jan-Apr 2023 vs Jan-Apr 2022 % change
Canadians Traveling to US and Returning to Canada	11.8M	-13.9%	145.7%
US Citizens Traveling to Canada	4.2M	-23.6%	139.3%
Canadians Traveling to US and Returning Through Ontario Ports	6.7M	-1.9%	158.2%
US Citizens Traveling Through Ontario Ports	2.1M	-33.7%	152.8%

BORDER CROSSINGS FROM OVERSEAS



Travel Characteristics	2019 Total 🔹	2020 Total	2021 Total	2022 Total	2022 vs. 2019 % change	2022 vs. 2021 % change
Canadians Traveling Abroad and Returning to Canada	12.3M	4.2M	2.4M	7.1M	-42.5%	192.5%
International (Excluding US) Traveling to Canada	7.5M	1.1M	986.1K	4.0M	-47.0%	301.4%
Canadians Traveling Abroad and Returning Through Ontario Ports	6.0M	2.0M	1.2M	2.9M	-51.3%	134.4%
International (Excluding US) Traveling Through Ontario Ports	3.3M	493.1K	469.7K	1.6M	-49.9%	250.2%

Travel Characteristics	Jan-Apr 2023 Entries	Jan-Apr 2023 vs Jan-Apr 2019 % change	Jan-Apr 2023 vs Jan-Apr 2022 % change
Canadians Traveling Abroad and Returning to Canada	3.5M	-31.6%	55.5%
International (Excluding US) Traveling to Canada	1.2M	-23.6%	101.4%
Canadians Traveling Abroad and Returning Through Ontario Ports	954.3K	-59.8%	-12.5%
International (Excluding US) Traveling Through Ontario Ports	456.3K	-33.7%	87.9%

KEY TAKEAWAYS:

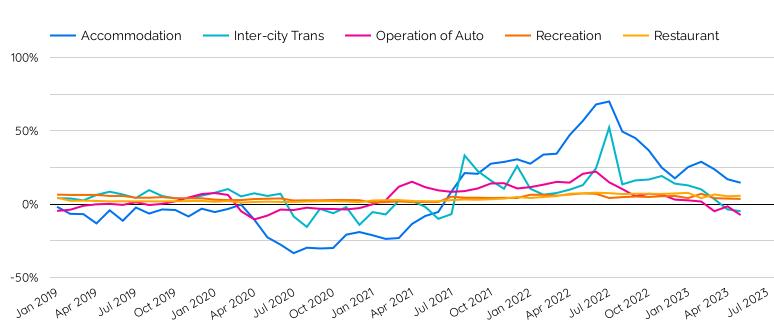
The visitor deficits for net Ontario entry illustrate different trends for US and other international markets. The visitor deficits have not returned to pre-pandemic levels (2019), while they have shown improvement compared to pre-pandemic levels for international markets (except US). Activities for Canadians travelling to US have experienced a relatively faster rebound, although the visitor deficits remain higher as the traffic for US citizens travelling through Ontario ports have not returned to pre-pandemic level.

The visitor deficits follow a distinct seasonal trend, decreasing to a lower level during the summer and resurging to a higher level during the winter.

CPI/TPI YEAR-OF-YEAR PERCENTAGE CHANGE^{2.3}

KPIs 🔺	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2022 vs 2019
CPI	2.4%	1.9%	0.6%	3.5%	6.8%	11.2%
TPI	4.2%	2.2%	-1.2%	3.8%	11.0%	13.9%
Accommodation	-3.2%	-6.0%	-20.6%	2.3%	42.8%	15.9%
Inter-city Trans	14.4%	5.5%	-1.1%	6.4%	16.8%	22.9%
Operation of Auto	5.7%	0.3%	-2.8%	9.7%	12.0%	19.5%
Recreation	4.0%	5.2%	3.0%	2.9%	5.8%	12.2%
Restaurant	6.1%	2.2%	1.6%	2.9%	6.7%	11.6%

ONTARIO TPI COMPONENTS MoM % CHANGE²



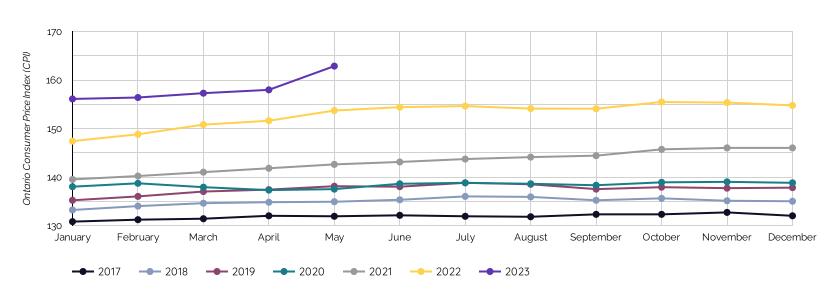
KEY TAKEAWAYS:

TPI category values in May 2023 for inter-city trans, operation of auto, recreation and restaurant are relatively stable with around 5% MoM change compared to pre-pandemic levels (2019).

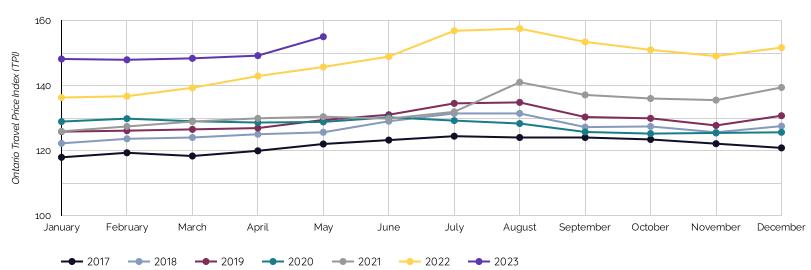
TPI for accommodation category experienced a significant drop during the pandemic, but increased significantly above 2019 level with a MoM change of approximately 35% on average from October 2021 to May 2023.

TPI value for all categories in 2023 experienced a significant slowdown compared with 2022.

ONTARIO CONSUMER PRICE INDEX²



ONTARIO TRAVEL PRICE INDEX³



SHORT TERM OCCUPANCY AND RENTAL RATES⁵

51.3%

\$162.1

Ontario Short Term Rental Rate 2022

Occupancy Rate: Avg. Daily Rate

0.2 point change (an decrease from 2021) 8.3% (an increase from 2021)

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

	1		Occup	ancy Per	centage						Ave	erage Daily Rate		
Region	OP 2019	OP 2020	OP 2021	OP 2022	Point Change (2019 to 2022)	Point Change (2021 to 2022)	May 2023	ADR 2019	ADR 2020	ADR 2021	ADR 2022	% Change (2019 to 2022)	% Change (2021 to 2022)	May 2023
ONTARIO	53.9%	40.8%	51.7%	51.3%	-2.6	-0.4	42.0%	\$108.6	\$122.8	\$149.7	\$162.1	49.2%	8.3%	\$145.6
Region 1 (Southwest Ontario)	53.7%	44.9%	57.8%	53.5%	-0.2	-4.3	42.0%	\$89.4	\$105.5	\$128.4	\$138.9	55.3%	8.2%	\$133.0
Region 2 (Niagara Canada)	49.1%	37.5%	50.8%	46.7%	-2.5	-4.1	40.0%	\$126.1	\$141.1	\$181.6	\$184.8	46.5%	1.8%	\$169.0
Region 3 (Hamilton, Halton and Brant)	56.4%	44.4%	56.9%	54.6%	-1.8	-2.3	47.0%	\$80.5	\$92.0	\$117.1	\$125.2	55.6%	7.0%	\$120.1
Region 4 (Huron, Perth, Waterloo and Wellington)	52.9%	44.4%	58.9%	57.7%	4.8	-1.2	46.0%	\$93.5	\$105.4	\$124.1	\$135.4	44.9%	9.2%	\$123.9
Region 5 (Greater Toronto Area)	57.7%	36.8%	44.9%	52.0%	-5.7	7.0	41.0%	\$94.3	\$93.2	\$102.6	\$124.4	31.9%	21.2%	\$125.4
Region 6 (York, Durham and Headwaters)	45.4%	38.2%	51.1%	47.0%	1.6	-4.1	41.0%	\$111.0	\$136.6	\$169.7	\$180.5	62.7%	6.4%	\$152.1
Region 7 (Bruce Peninsula, Southern Georgian Bay and Lake Simcoe)	46.4%	43.4%	55.4%	46.1%	-0.3	-9.3	35.0%	\$177.6	\$196.8	\$237.2	\$252.4	42.2%	6.4%	\$204.6
Region 8 (Kawarthas Northumberland)	47.8%	50.0%	59.9%	47.4%	-0.4	-12.5 🔶	36.0%	\$183.6	\$208.9	\$260.3	\$278.0	51.4%	6.8%	\$246.0
Region 9 (South Eastern Ontario)	51.7%	48.8%	61.0%	51.2%	-0.5	-9.7	39.0%	\$146.7	\$165.2	\$207.4	\$220.0	50.0%	6.1%	\$197.7
Region 10 (Ottawa and Countryside)	56.1%	41.9%	53.6%	53.9%	-2.2	0.3	51.0%	\$77.1	\$80.6	\$95.1	\$107.7	39.7%	13.2%	\$106.5
Region 11 (Haliburton Highlands to the Ottawa Valley)	48.7%	51.4%	61.4%	49.2%	0.5	-12.2	37.0%	\$173.6	\$194.9	\$240.0	\$259.6	49.5%	8.1%	\$235.3
Region 12 (Algonquin Park, Almaguin Highlands, Muskoka and Parry Sound)	48.5%	50.5%	59.6%	47.6%	-0.9	-11.9	36.0%	\$206.2	\$238.2	\$289.6	\$307.4	49.0%	6.1%	\$263.2
Region 13 (Northern Ontario)	52.7%	49.1%	60.0%	55.4%	2.6	-4.6	48.0%	\$95.6	\$108.1	\$129.6	\$135.8	42.0%	4.8%	\$128.6

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

KEY TAKEAWAYS:

The 2023 occupancy rates in May for short term rentals have underperformed compared with May 2022 levels by **10.0 percentage point** gap and May 2019 levels by **10.1 percentage point** on average for all regions.

The 2022 occupancy rates increased across RTO4 (+4.8 point change), RTO6 (+1.6 point change), RTO11 (+0.5 point change) and RTO13 (+2.7 point change) compared with pre-pandemic levels (2019). The 2022 occupancy rates increased across RTO5 (+7.1 point change) and RTO10 (+0.3 point change) compared with 2021 levels.

The 2023 average daily rates in May for short term rentals have underperformed compared with May 2022 with a 6.2% gap on average for all regions.

The 2023 average daily rates in May for short term rentals have surpassed May 2019 levels by **41.5**% on average for all regions. The 2022 average daily rates increased across all regions compared with both 2021 (+8.3%) and 2019 (+49.2%) levels.

HOTEL OCCUPANCY REGIONAL AND SUB-REGIONAL BREAKDOWN

Ontario Hotel Rate 2022

Occupancy Rate 62.9% Avg. Daily Rate \$179.2

18.8 point change (an increase from 2021) **39.1%** (an increase from 2021)

			Occup	oancy Percentage					Avera	age Daily Rate		
Region	OP 2019	OP 2021	OP 2022	Point Change (2019 to 2022)	Point Change (2021 to 2022)	Apr 2023	ADR 2019	ADR 2021	ADR 2022	% Change (2019 to 2022)	% Change (2021 to 2022)	Apr 2023
ONTARIO	68.7%	44.1%	62.9%	-5.8	18.8	65.9%	\$163.0	\$128.8	\$179.2	9.9%	39.1%	\$184.1
Region 1 (Southwest Ontario)	62.0%	47.8%	60.6%	-1.3	12.8	64.0%	\$118.8	\$101.4	\$129.7	9.2%	28.0% 🛉	\$138.2
Region 2 (Niagara Canada)	64.7%	33.9%	55.0%	-9.7	21.0	67.4%	\$163.2	\$148.9	\$194.5	19.2%	30.7%	\$168.1
Region 3 (Hamilton, Halton and Brant)	66.4%	48.8%	64.4%	-2.0	15.6	66.3%	\$131.1	\$108.2	\$147.0	12.2%	35.9% 🛉	\$158.3
Region 4 (Huron, Perth, Waterloo and Wellington)	63.9%	42.6%	62.3%	-1.7	19.6	59.9%	\$131.8	\$109.5	\$145.7	10.5%	33.0%	\$148.7
Region 5 (Greater Toronto Area)	75.7%	40.9%	66.9%	-8.8	26.0	73.7%	\$196.6	\$138.5	\$215.9	9.8%	55.8%	\$230.0
Region 6 (York, Durham and Headwaters)	70.8%	54.5%	70.0%	-0.8	15.5	74.5%	\$140.6	\$116.3	\$161.7	15.0%	39.0%	\$164.0
Region 7 (Bruce Peninsula, Southern Georgian Bay and Lake Simcoe)	59.7%	48.4%	54.7%	-5.0	6.3	45.9%	\$134.9	\$133.7	\$160.5	19.0%	20.0% 🛉	\$143.3
Region 8 (Kawarthas Northumberland)	62.1%	46.5%	58.8%	-3.3	12.3	48.5%	\$120.0	\$114.5	\$137.6	14.7%	20.2%	\$135.8
Region 9 (South Eastern Ontario)	61.4%	47.4%	58.6%	-2.8	11.2	57.3%	\$133.9	\$130.0	\$152.3	13.8%	17.2%	\$140.1
Region 10 (Ottawa and Countryside)	71.1%	41.3%	61.7%	-9.4	20.4	65.5%	\$166.3	\$131.1	\$176.0	5.8%	34.2%	\$182.3
Region 11 (Haliburton Highlands to the Ottawa Valley)	57.8%	45.9%	52.0%	-5.8	6.1	46.2%	\$132.2	\$131.4	\$143.0	8.2%	8.8%	\$140.6
Region 12 (Algonquin Park, Almaguin Highlands, Muskoka and Parry Sound)	53.5%	43.7%	54.2%	0.7	10.5	42.0%	\$179.7	\$210.9	\$211.2	17.5%	0.1%	\$159.2
Region 13 (Northern Ontario)	63.4%	52.5%	64.4%	1.0	11.9	56.8%	\$124.6	\$120.2	\$139.8	12.2%	16.3%	\$146.4

KEY TAKEAWAYS:

Ontario Consumer Index Price (CPI) increased 3.1% in May 2023 down from a **4.2%** gain in April. This was the largest deceleration in the headline CPI since January 2022.

Excluding food and energy, prices were up 4.0% year over year in May, following a **4.3%** gain in April.

In May 2023, Ontario's TPI increased 3.9% compared with May 2022, following an 4.4% increase in April.

Costs increased in accommodations (+14.6%) restaurants (+5.7%), and recreation/entertainment (+3.6%), while vehicle operation prices (-7.4%) and intercity transportation (-4.8%) declined in May 2023 compared with May 2022.

An increase in the TPI resulted in higher prices for tourismrelated goods and services such as food, transportation, recreation and travel accommodation.

Budget-conscious travelers will most likely to plan more in 2023 to help maximize vacation budget.⁴

KEY TAKEAWAYS:

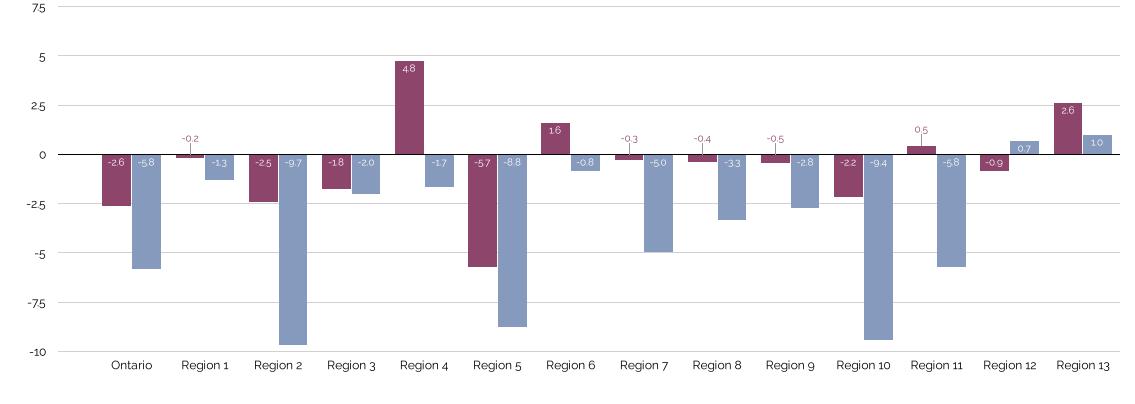
The hotel occupancy rate in April 2023 have surpassed April 2022 level by 7.0 percentage point on average for all regions The hotel occupancy rate in April 2023 have underperformed compared with April 2019 level by 1.1 percentage point on average for all regions The 2022 hotel occupancy rates increased across all regions compared with 2021 levels (+18.8 point change)

The 2022 hotel occupancy rates increased across Region 12 (+0.7 point change), Region 13 (+1.0 point change) compared with 2019 levels

The hotel average daily rates in April 2023 have surpassed April 2022 levels by **19.0%** on average for all regions The hotel average daily rates in April 2023 have surpassed April 2019 levels by **16.0%** on average for all regions The 2022 average daily rate increased across all regions compared with both 2019 (+9.9%) and 2021 (+39.1%) levels

SHORT TERM RENTAL AND HOTEL OCCUPANCY RATE COMPARISON (2019 vs. 2022)^{5,6}

Short Term Rental Occupancy Point Change (2019 vs. 2022) Hotel Occupancy Point Change (2019 vs. 2022)



KEY TAKEAWAYS:

Occupancy rates for short term rentals and hotels have been fully recovered for some regions compared with pre-pandemic levels (2019). Occupancy rates for short term rentals recovered faster than hotels.

ECONOMIC IMPACT OF TOURISM IN ONTARIO (2020)

Economic Impact	Tourism Receipts 🔹	Visitor Spending
Tourism Spending	\$13.6B	\$11.2B
Value Added by Tourism into GDP	\$12.8B	\$10.2B
Tax Revenue Attributed to Tourism	\$4.8B	\$4.0B
Employment through Tourism	133,189	107,460

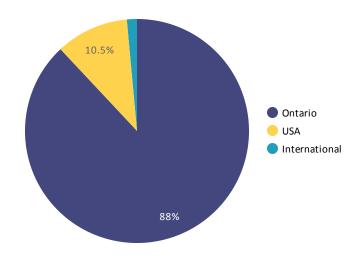
ECONOMIC IMPACT OF TOURISM IN ONTARIO (2019)

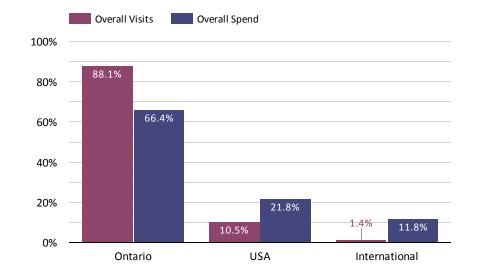
Economic Impact	Tourism Receipts 🔹	Visitor Spending
Tourism Spending	\$38.0B	\$29.4B
Value Added by Tourism into GDP	\$36.8B	\$27.8B
Tax Revenue Attributed to Tourism	\$13.4B	\$10.6B
Employment through Tourism	395,546	307,277

VISITS AND SPEND FROM KEY MARKETS (2019)⁸

Markets	Person Visits 🔹	Total Visitor Spending	Average Nights Stayed	Estimated Spend per Overnight Trip
Ontario	108.1M	\$15.3B	1.0	\$270.0
USA	12.9M	\$5.0B	3.0	\$643.0
UK	459.5K	\$744.7M	10.0	\$1,689.0
China	330.9К	\$875.1M	35.0	\$2,715.0
France	231.6K	\$203.7M	8.0	\$940.0
Mexico	230.6K	\$236.0M	16.0	\$1,045.0
Germany	203.6K	\$294.5M	12.0	\$1,560.0
Australia	128.6K	\$187.9M	8.2	\$1,534.0
Japan	102.5K	\$232.8M	15.0	\$2,499.0
South Korea	102.3K	\$139.1M	18.0	\$1,378.0

ONTARIO'S SHARE OF VISITS BY KEY MARKETS (2019)⁸





ONTARIO'S SHARE OF PERSON VISITS AND TOTAL VISITOR SPENDING BY KEY MARKETS (2019)⁸

Ontario has the largest market share for visits at 88.1% and total visitor spending at 66.4%

There is an 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, 2019-2023 | 2. Statistics Canada, The Daily - Consumer Price Index, May 2023 | 3. MTCS, Price Indices Statistics, 2016-2023 | 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 - 2023. Short-term rental data collection is a growing data space. Transparent Intelligence is continuously refining its methodology. Consequently, data updates within the same parameters may arise due to methodology updates. | 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. Statistics Canada, MHSTCIs Tourism Regional Economic Impact Model, 2019 and 2020 | 8. Statistics Canada, National Travel Survey, 2019; Statistics Canada, Visitor Travel Survey, 2019 | 9. Toronto Star, Hotel rates surge as revenue in hospitality sector expected to bounce back to pre-pandemic levels in 2023. Sep, 2022. Link: https://www.thestar.com/business/2022/09/24/hotel-rates-surge-as-revenue-in-hospitality-sector-expected-to-bounce-back-to-pre-pandemic-levels-in-2023.html