

The Colliers logo, featuring the word "Colliers" in white serif font on a dark blue rectangular background with a yellow and red horizontal stripe at the bottom.A wide-angle photograph of the Parliament Hill in Ottawa, Canada, showcasing its Gothic Revival architecture with multiple towers and a prominent clock tower. The building is set against a clear blue sky with light clouds. In the foreground, a dense forest of trees with vibrant autumn foliage in shades of orange, yellow, and green covers the hillside. Modern city buildings are visible in the background to the right.

Colliers

Colliers Hotels

INNvestment Canada

Q3 2023

Investment highlights presented in this Q3 2023 INNvestment Canada Report are based on preliminary transaction data collected by Colliers Hotels.

Other reports available for download:

Q2 2023 INNvestment Canada Report



Q1 2023 INNvestment Canada Report



Introduction

Transaction activity across Canada totalled approximately \$225 million in the third quarter with \$1.3 billion in volume as of YTD Q3 2023. Presented on the following pages are a brief snapshot of YTD Q3 2023 transaction market highlights, as well as a selection of transactions that occurred.

- Strength in travel demand continued throughout the third quarter, culminating to a 22% rise in RevPAR through YTD Q3 2023 versus the same period in 2019. Quarterly results for the three months ending September saw continued strength, seeing a 24.2% rise in national RevPAR with occupancies surpassing the same period in 2019. Results were consistent across most geographies with the economy, mid, and upscale classes of the market slightly edging out the upper upscale and luxury classes.
- Growing cross border travel is aiding the recovery with StatCan reporting that as of YTD August 2023 a total of 12.6 million overnight trips by non residents to Canada were made, up 54% over 2022 levels, although still 20% below comparable levels in 2019.

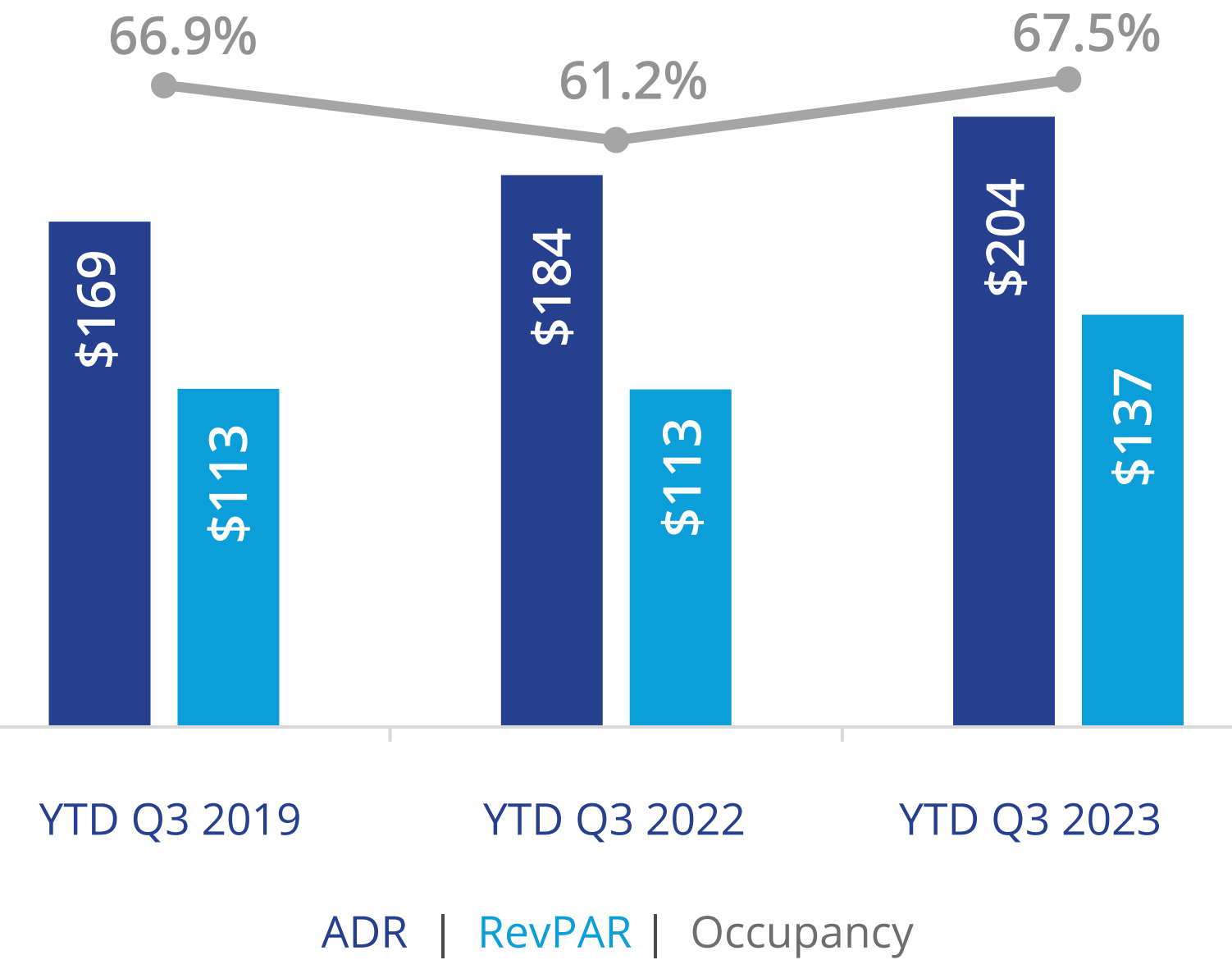
Operational Updates

YTD Q3 2023 National RevPAR gain vs. YTD Q3 2019

+21.8%

Source: STR

Canadian Top-Line Recovery

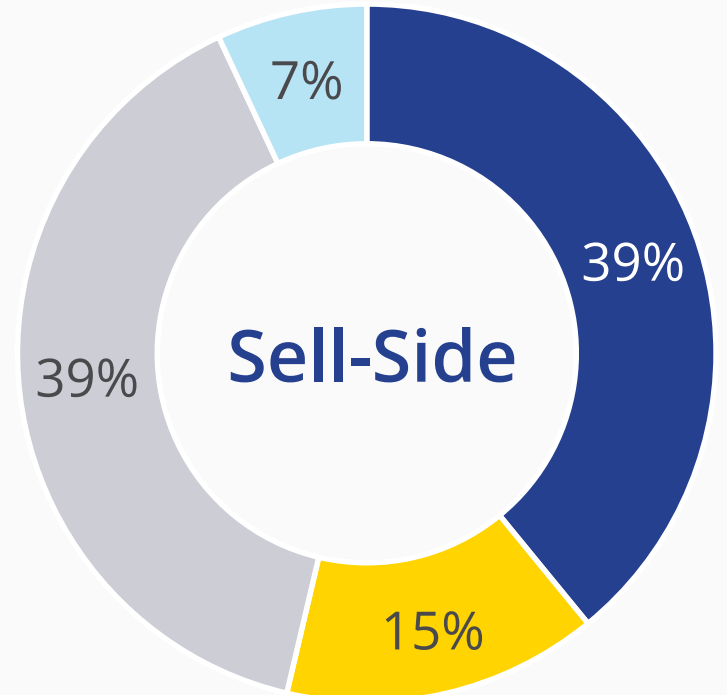
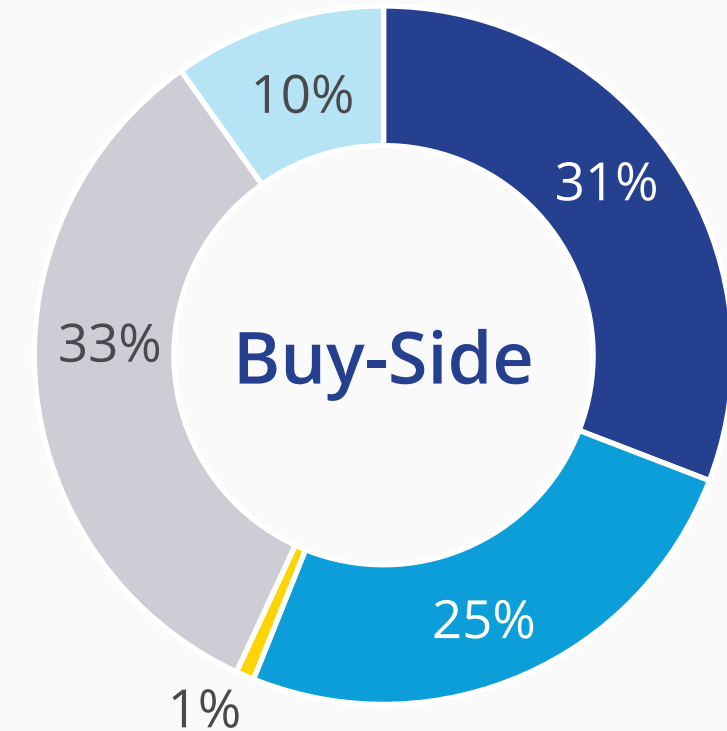


Source: STR

YTD Q3 2023 Transaction Summary

YTD Q3 Transaction Highlights

Buyer-Seller Activity



- Legend
- Hotel Investment Company
 - Institutional & Other
 - Real Estate Company
 - Private Investor
 - Public Company

Source: Colliers Hotels

Following a robust showing in the second quarter with nearly \$800 million in closed volume, hotel transaction activity slowed in Q3 with approximately \$225 million of hotel sales nationwide.

- A slower than expected Q3 brought year to date transaction volume to just over \$1.3 billion, comparable to investment levels in 2022; however, with a more dominant focus on sales for continued hotel use (90% of volume to date versus 73% for the same period last year).
- While the quarter saw some stand out transactions including the Ottawa Marriott Hotel and Ramada Kelowna, overall investment volume was constrained by limited mid-market investment opportunities and 70% of deals for the quarter transacting under \$10 million.
- Private investors have been the most active buyers of hotel real estate by volume so far this year, targeting smaller properties with an averaging deal size of \$6 million, followed closely by hotel investment companies who are behind several of the year’s most significant hotel and resort transactions to date.
- Based on the current deal pipeline, Colliers forecasts year-end volume will hover closer to the \$1.5 billion range with several larger transactions expected to roll into early 2024.

		YOY TREND
	\$1.3B YTD TRADE VOLUME	 1%
	101 HOTELS SOLD	 -20%
	\$172,600 AVERAGE PRICE/KEY*	 31%
	\$12.9M AVERAGE DEAL SIZE	 26%

Source: Colliers Hotels

* Reflects normalized average price per room excluding acquisitions for alternate use/redevelopment and transactions with considerable non-hotel value.

Transaction Spotlights



Holiday Inn Express Kamloops, BC

Located near the Aberdeen Mall just off the Yellowhead Highway (Highway 1), the Holiday Inn Express Kamloops sold for \$207,400 per key. The hotel features an indoor pool, fitness centre and lobby market.

81

Keys

\$16.8M

Sale Price

RZH Hotels

Buyer



Ottawa Marriott Hotel, ON

This 489-key full service hotel is centrally located in downtown Ottawa, just one block from Parliament Hill. The wide variety of facilities and amenities include over 36,000 SF of meeting space, an indoor pool, and various dining options.

489

Keys

\$86.5M

Sale Price

Manga Hotels

Buyer



Ramada Kelowna & Conference Center, BC

Located in central Kelowna, the property sold for \$237,000 per key. The property included a liquor store and excess land with development potential, as well as an on-site Smitty's Restaurant.

135

Keys

\$32M

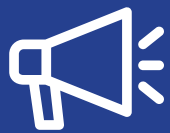
Sale Price

Private Investor

Buyer

YTD 2023 Transaction List

Select transactions presented below



REPORT A LODGING TRANSACTION
Provide as much detail as possible, including property name, sale date, and price, etc. Kindly note we track sales >\$1M.

Name	City	Province	Keys	Date	Price	Price / Key	Notes
Over \$100 million							
The Rimrock Resort Hotel	Banff	AB	330	Jun-23	\$170,000,000	\$515,200	Property to undergo a significant \$100 million renovation.
The Hazelton	Toronto	ON	77	Jun-23	\$110,000,000	\$1,428,600	Sale included 11,250 SF of retail space, underground parkade, and a 50% interest in ONE Restaurant.
\$50 million to \$100 million							
Ottawa Marriott Hotel	Ottawa	ON	489	Jul-23	\$86,500,000	\$176,900	New owner to renovate and continue as Marriott.
InterContinental Montreal	Montreal	QC	357	Feb-23	\$80,000,000	\$224,100	New owner to renovate and continue as InterContinental.
\$25 million to \$50 million							
Best Western Premier Toronto Airport Carlingview Hotel	Toronto	ON	118	Jun-23	\$26,200,000	\$222,000	
Hotel Le Crystal	Montreal	QC	126	Feb-23	\$34,612,950	\$274,700	Hotel had been closed for two years prior to sale. Hotel has re-opened as Warwick Le Crystal.
Ramada by Wyndham Kelowna Hotel & Conference Center	Kelowna	BC	135	Jul-23	\$32,000,000	\$237,000	Sale included a liquor store and excess land with development potential.
\$10 million to \$25 million							
Holiday Inn Express Kamloops	Kamloops	BC	81	Sep-23	\$16,800,000	\$207,400	-
Quality Inn & Suites Oakville	Oakville	ON	71	Mar-23	\$14,600,000	\$205,600	-
Coast Osoyoos Beach Hotel	Osoyoos	BC	65	Jun-23	\$13,900,000	\$213,800	-
Under \$10 million							
Super 8 Lloydminster	Lloydminster	SK	83	Mar-23	\$5,200,000	\$62,700	-
Blue Spruce Resort	Dwight	ON	24	Jul-23	\$6,112,000	\$254,700	-
Coastal Inn Bayer's Lake	Halifax	NS	64	May-23	\$6,500,000	\$101,600	-

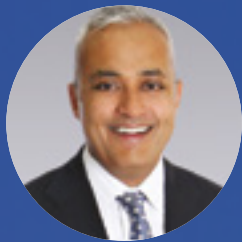
Source: Colliers Hotels

Colliers Hotels Canada and The Caribbean

In the past 30 years, Colliers’ Hotels team has acted on the sale or financing of more than 850 hotels and resorts with deep transaction experience across Canada and the Caribbean. We are results-driven: whether a large portfolio or single property, our proven process delivers results via our global connections, world-class marketing and innovative strategies. Our clients choose us for our superior client service, level of specialization and unique market insights.

Brokerage & Advisory Services

- Hotel Brokerage
- Debt Placement
- Value-Add Research
- Special Situation Resolution
- Strategic Advisory & Consulting



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