INVESTMENT FORECAST

Hospitality

Edmonton

IPA | INSTITUTIONAL PROPERTY ADVISORS

2026

Economic and Market Dynamics Foster a Stable Hotel Outlook

Sector aided by resilient demand drivers. Hotels in Edmonton posted healthy gains in recent years, with 2025 occupancy reaching its highest level since 2015 and growth in the average daily rate continuing to outpace inflation. Stability is underpinned by the city's large government presence, which provides a reliable base of year-round demand. On the supply side, conditions remain balanced. Very limited construction has kept the market from being oversaturated, and few projects sit in the pipeline. Looking ahead, performance could be hindered by trade uncertainties. But, for now, the expectation is that demand will hold resilient, supported by the energy, healthcare and education sectors, as well as steady corporate travel tied to oil sands operations and the provincial government. Future large-scale energy and infrastructure projects associated with the Building Canada Act may also generate spillover demand from corresponding teams, contractors and consultants. Meanwhile, event-related demand, anchored by Rogers Place and the Edmonton Expo Centre, could backstop the group and leisure segments. With favourable supply conditions, these factors point to a stable long-term outlook for Edmonton's hotel market.

INVESTMENT TRENDS

- Four hotels sold over the past year ended September, slightly below the trailing five-year average of five. This was likely due to limited availability and restrictive lending conditions.
- All purchasers were private buyers looking for midscale and economy hotels. This may be due to the classes' more affordable nature, attracting more stable travel patterns.

2026 Hospitality Trends

100 BASIS POINT *change in occupancy*

OCCUPANCY:

On the heels of a potential acceleration in demand growth, occupancy is forecast to eclipse 61 per cent by year-end. This marks a first in over 10 years and is 700 basis points above the 2019 mark.

1.2% DECREASE *in ADR*

ADR:

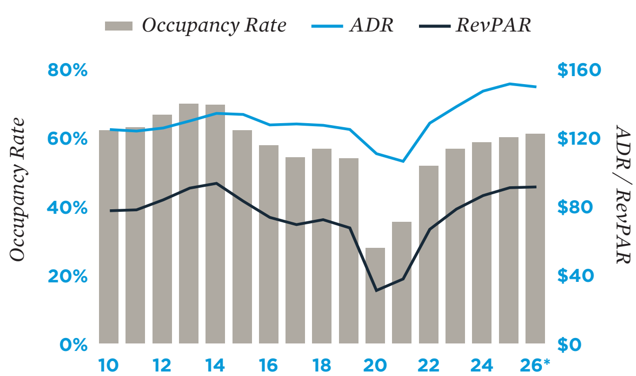
Despite occupancy achieving a milestone, the level is still low compared to other major markets. Along with lingering economic risks, ADR is likely to fall slightly after outpacing inflation over the past four years.

0.5% INCREASE *in RevPAR*

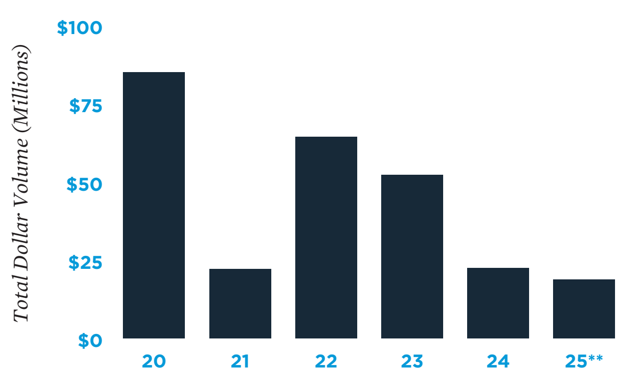
RevPAR:

Growth in revenue per available room will be driven by rising occupancy amid accommodating supply-side dynamics. RevPAR will hit $91, just shy of the previous highs set in 2008 and 2014, when oil markets were running strong.

Occupancy and Revenue Metrics



Transaction Trends



** Forecast; ** Trailing 12 months through 3Q*

Sources: Altus Data Solutions; Statistics Canada; STR, a CoStar Group Company

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