

INVESTMENT FORECAST

Hospitality
Ottawa

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Influx of New Supply to be Absorbed Amid Stable Demand Dynamics

High-quality deliveries capturing bookings. As of late 2025, hotel rooms under construction as a percentage of existing inventory was 5.4 per cent in Ottawa — above the national reading of 2.0 per cent. This incoming hotel supply — anchored by projects like the MOXY Downtown, the Alt Airport Hotel, a Marriott and the Renaissance — represents a noticeable bump to inventory. Even so, the market's demand fundamentals suggest this new supply should be absorbed over the medium term. The city benefits from a uniquely stable base of year-round government travel, bolstered by health care, education, and a resilient corporate presence tied to federal contracts and a strong tech sector. Tourism demand is also expanding, with events, festivals and conventions driving an increase in visitor spending. At the same time, strategic initiatives through Ottawa Tourism are creating longer-term opportunities. However, bookings may not be uniform. New, premium, well-located product that is coming online will likely fare best, while older, mid-tier hotels may feel displacement pressure. In short, demand growth looks sufficient to balance openings, but operators at the lower end of the quality spectrum may face some risks.

INVESTMENT TRENDS

- Five hotels valued at \$88.3 million traded hands over the past year ended September 2025. Dollar volume largely aligned with long-term averages, yet the number of deals was higher.
- Two high-profile sales valued over \$20 million each traded in the first half of last year. Although availability remains limited, this indicates that top-tier properties are in high demand.

2026 Hospitality Trends



170
BASIS POINT
change in occupancy

OCCUPANCY:

Occupancy is set to hit a 10-year high of 72.1 per cent by the end of 2026. While deliveries will be elevated, Ottawa's hotel inventory has contracted since 2022, maintaining an under-supplied market.



0.6%
INCREASE
in ADR

ADR:

The combination of rising occupancy and high-quality supply coming on market will push the average daily rate to roughly \$203. This represents an all-time high and is 21 per cent above the 2019 reading.

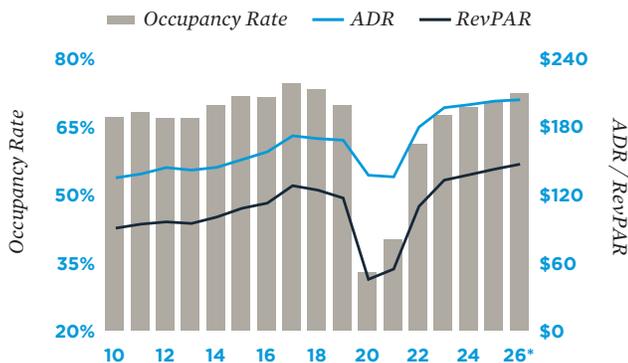


3.1%
INCREASE
in RevPAR

RevPAR:

As occupancy and the average daily rate inch higher, revenue per available room will follow. By year-end, the rate will sit at roughly \$146 — up 26 per cent from 2019 and up 15 per cent from the past high set in 2017.

Occupancy and Revenue Metrics



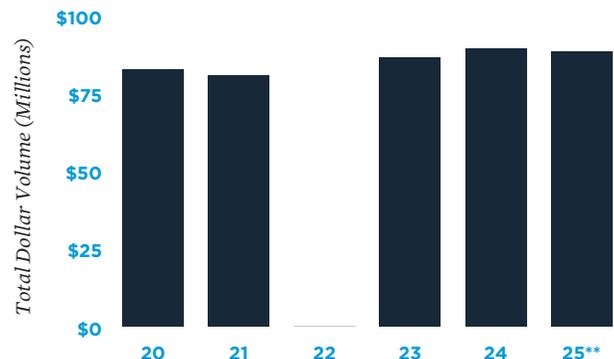
* Forecast, ** Trailing 12 months through 3Q

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

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of February 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and retail data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

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Transaction Trends



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